

FINANCIAL TIMES

No. 27,051 Thursday August 19 1976 **10p

IMJ means more than metal

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NEWS SUMMARY

ERAL 1,000 head in Pacific lake

BUSINESS Gold loses another \$3 1/4

Philippines Government said today's earthquake... 75 per cent of the waves were due to drowning... the Celebes Sea, where a 8 quake was centred.

North Koreans Americans

300000 were destroyed... 4 Severn-Trent Water... reservoir ran dry...

hool riots re again

ng erupted for the second... day in Port Elizabeth... after what started as a... march by black school...

sy firemen

men fought death and forest... in many parts of the... at Haverhill, Mass...

C man hurt

Llewellyn, a BBC radio... respondent in Beirut, was... wounded in the wrist by... per who fired on his car...

ikner explains

Brian Faulkner, former... Ireland Premier, said... that his resignation as... of the Unionist Party was... out of disillusionment...

len Stubbs

Stubbs painting of a... Charles, spaniel, valued at... 10, was among ten works... by the artist on Tuesday...

on landing

Union soft-landed an... space shuttle, Luna 24... moon's Sea of Crises, to... the lunar surface.

ffy...

er found in Sweden... three bodies were one of... nadian aircraft lost in 1942... flying from Shetlands to...

PRICE CHANGES YESTERDAY

in pence unless otherwise indicated

4 1/2% 1974-75	529 1/2	+	3
Aluminium	100	+	20
Alloy Steel	850	+	20
Alloy Steel	124	+	6
Alloy Steel	380	+	8
Alloy Steel	28	+	3
Alloy Steel	104	+	6
Alloy Steel	63	+	6
Alloy Steel	23	+	2
Alloy Steel	340	+	15
Alloy Steel	340	+	11
Alloy Steel	338	+	6

Ministers recalled by Callaghan for drought talks

BY PETER HENNESSY, LOBBY CORRESPONDENT

The Prime Minister has set up a Cabinet committee to consider emergency action to counter the effects of the drought. Ministers will be recalled from their holidays to attend the first meeting on Tuesday.

The personal intervention of the Prime Minister underlines how seriously the Government is treating the implications of the long dry spell.

Mr. Fred Peart, Agriculture Minister, who has warned of some food shortages and price rises, is considering whether special measures are needed to help the farmers.

The fact that Ministers from the Departments of Industry and Employment have also been summoned to next week's meeting acknowledges that the dry spell could pose a threat to jobs and the full-time working of industry.

Whitehall was at pains yesterday to stress that the new Ministerial group would have a co-ordinating role rather than dealing with immediate problems. The Government is anxious to devise medium to long-term policies should the present period of dry weather prove to be the norm rather than the exception.

Mr. John Silkin, Minister for Planning and Local Government, will present a paper to the meet-

ing outlining the present state of water supplies, and detailing the problems of the worst affected areas.

His report will be produced in co-operation with the half-dozen local liaison authorities set up to handle the emergency in the most severely troubled areas.

Given the water switching system in use in the U.K., decisions about suspending supplies to consumers and individual industries will have to be taken locally.

John Edwards writes: Mr. Peart, on his return from a two-day visit to the worst drought-stricken areas, spent yesterday in consultations at his Ministry reviewing what could be done to help farmers.

He saw Mr. Richard Butler, deputy chairman of the National Farmers Union. But the Ministry made no statement about any measures that might be planned, apart from offering farmers the help of its advisory service in planning feed programmes to

assurances concerning the structure and operation of the State scheme.

But he pointed out that occupational schemes had to dovetail into the State scheme and to published legislation brought in quickly to enforce equal status with the exception of equal retirement age. It also wanted its own proposals adopted, based on the principle of a sharing of risks, including mortality, so that on average a member would receive equal benefits for equal contributions.

But the National Association of Pension Funds pointed out that trade unions already had the means to negotiate for equal retirement ages for their members. Many existing occupational pension schemes already have or are in the process of introducing equal ages, the most common one being 60.

The Equal Pay and Opportunities Campaign, however, felt disappointed that the Board did not recommend legislation for equality and thought that private pensions could have led the way.

The Board was asked in February, 1975, by Mrs. Barbara Castle, then Secretary for Social Services, to examine the question of equality of status for men and women in occupational pension schemes.

Lord Allen of Abbeydale, the chairman, told reporters yesterday that the Board was not empowered to make recommendations.

Equal pension status Page 7

Editorial comment Page 12

British Airways in £250m. deal for long-range TriStar jets

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to buy six of the long-range version of the Lockheed TriStar, the L-500, worth about £125m. Including spares, and is taking an option on another six aircraft for a similar sum—a total outlay of £250m. In 1979 values, when delivery starts.

Lockheed has thus won the toughest battle in the world airliner market for a long time, beating fellow American rival, McDonnell Douglas, with its long-range DC-10-30R jet.

Both contestants offered their aircraft with the upgraded 50,000 lb thrust Dash 524 version of the Rolls-Royce RB-211 engine. The value of the L-500 engine deal to British Airways will be about £40m. Including spares, with substantial contingencies on sales of the L-500 to other world airlines.

Announcing the deal yesterday, Sir Frank McAdzean, BA chairman, said that the airline's traffic forecasts showed that more Boeing 747s and TriStars "will certainly be needed in the mid-1980s."

Replacements

British Airways needs the long-range version of the TriStar to complement its fleet of long-range Boeing 747 Jumbos, replacing ageing 707s and Super VC-10s on those routes where smaller numbers of passengers want to fly long distances.

It has already ordered 15

medium-range TriStars, of which seven have been delivered. It will now substitute the six long-range models for the six of the medium-range jets still waiting delivery.

This means that although the total value of the initial six aircraft is over £125m, the net additional cost of the long-range models is only about £20m—a major factor in influencing its choice.

The deal brings to 215 the number of TriStars ordered world-wide of which 160 have been firm orders (with 130 of these delivered), and the rest options or "second buys."

Lockheed says that if only 45 of its L-500s are sold, in addition to continuing sales of the basic medium-range model, the value of the work available to the U.K. on engines and other systems and equipment will amount to about £400m. by 1985.

In fact, Lockheed expects to sell many more aircraft. Mr. Robert Haack, Lockheed chairman, foresees a world market for 244 aircraft of the L-500 type by 1985, of which he hopes Lockheed will get a big share.

Explaining the deal, which is still subject to detailed negotiations, BA said yesterday that its long-haul routes were now showing a healthy rate of growth, while the forecasts for the shorter European routes showed less demand than had been expected.

Thus, it had been decided to

Ford breaks the Reagan challenge

BY JUREK MARTIN KANSAS CITY, August 18.

PRESIDENT FORD last night broke the back of Mr. Ronald Reagan's challenge for the Republican Party's Presidential nomination.

Only the totally unexpected can prevent the President from taking the prize when the convention votes this evening.

He won the critical vote on the controversial rule 16C by 1,180 to 1,069, with 11 abstentions.

The proposal, which would have compelled Mr. Ford to name his Vice-Presidential selection this morning, was the cornerstone of the Reagan effort.

It was hoped this vote, on which delegates were free to express their own minds, would reveal that the true Reagan strength was much greater than the delegate tallies suggested and so influence to-night's balloting on the nomination itself.

In the event Mr. Ford's support in the Northern and mid-Western states remained solid. There was greater evidence of covert Ford backing in the Reagan ranks than vice versa.

Mr. John Sears, the Reagan campaign manager, seems to have no more rabbits to pull out of his inventive top hat. He virtually admitted to-day that the game was up.

One desperate play would have been to drop Senator Richard Schweiker, the Liberal from Pennsylvania, from the Reagan ticket. Senator Schweiker offered to withdraw this morning but Mr. Reagan declined to accept as "a matter of principle."

He can claim some satisfaction from last night's proceedings, in the interests of party unity and strategists agreed in the small hours of the morning to accept Mr. Reagan's "morality in foreign policy" amendment to the party platform.

In Mr. Sears' view this amounts to repudiation of the Ford-Nixon-Kissinger foreign policy.

The President's staff, however, believes the platform will be rapidly forgotten in the heat of the Presidential campaign proper and any embarrassment can be skirted. The Democrats are un-

likely to allow the Republicans to forget it.

Some diehard Reagan supporters tried to force a roll call vote on the amendment. They were confident that it would pass overwhelmingly and so put on record the unmistakable conservative sentiment of this convention.

But Congressman John Rhodes, the chairman, ignored their efforts, settled for a simple voice vote and gavelled the session into conclusion.

The Ford camp is naturally jubilant this morning, just as the Reagan forces are downcast.

The President, it was announced, will spend the day considering his selection of a running mate. He is due to disclose his choice to-morrow morning.

Invitation

His preference remains unknown but sources claim the field has narrowed down to no more than four—Senator Howard Baker from Tennessee, Mr. William Simon, the Treasury Secretary, Mr. William Rusher, the former Deputy Attorney-General, and one of two Republican governors, either Mr. Robert Ray from Iowa or Mr. Daniel Evans from Washington State.

According to the White House Mr. Reagan has also not been ruled out, though he has repeatedly said he would not accept. The invitation may be sent as a matter of courtesy and to mollify the Right wing.

All was, however, far from sweetness and light last night. The mood of the convention was sour, with much booing and shouting and the odd unpleasant incident.

A Reagan delegate from Utah, for example, ripped out the telephone being used by Vice-President Rockefeller, who was sitting in the New York delegation. He claimed Mr. Rockefeller had taken away one of his banners. There was a brief scuffle on the floor and the Secret Service ushered the Vice-President away.

Continued on Back Page

Party split Page 6

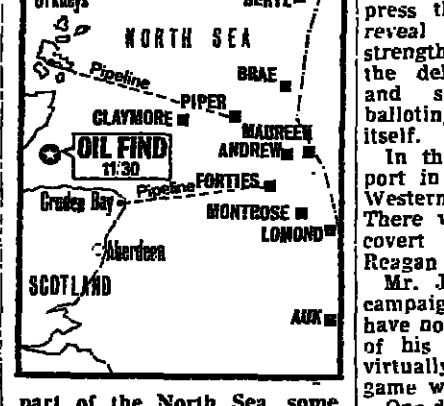
Oil found 12 miles off Scotland

BY RHYS DAVID

AN oil discovery only 12 miles off the Scottish coast—the closest yet to the British shoreline—has been announced by MESA Petroleum of the U.S.

The find has yet to be evaluated, and the company emphasised yesterday that the commercial significance of the hydrocarbons indicated could not be assessed until production testing is completed and confirmation drilling carried out.

But the discovery is encouraging, coming in a new



part of the North Sea, some 100 miles away from the nearest existing field, the Claymore. It will also please the Government, which is hoping to attract interest in blocks in the area in its latest round of North Sea licensing.

Partners in the block—11/30—are MESA (25 per cent), Kerr-McGee (25 per cent), Hunt Oil (15 per cent), P and O Petroleum (15 per cent), Cresswell (U.K.) 15 per cent, and Exploration Holdings (5 per cent).

Continued on Back Page

£ in New York

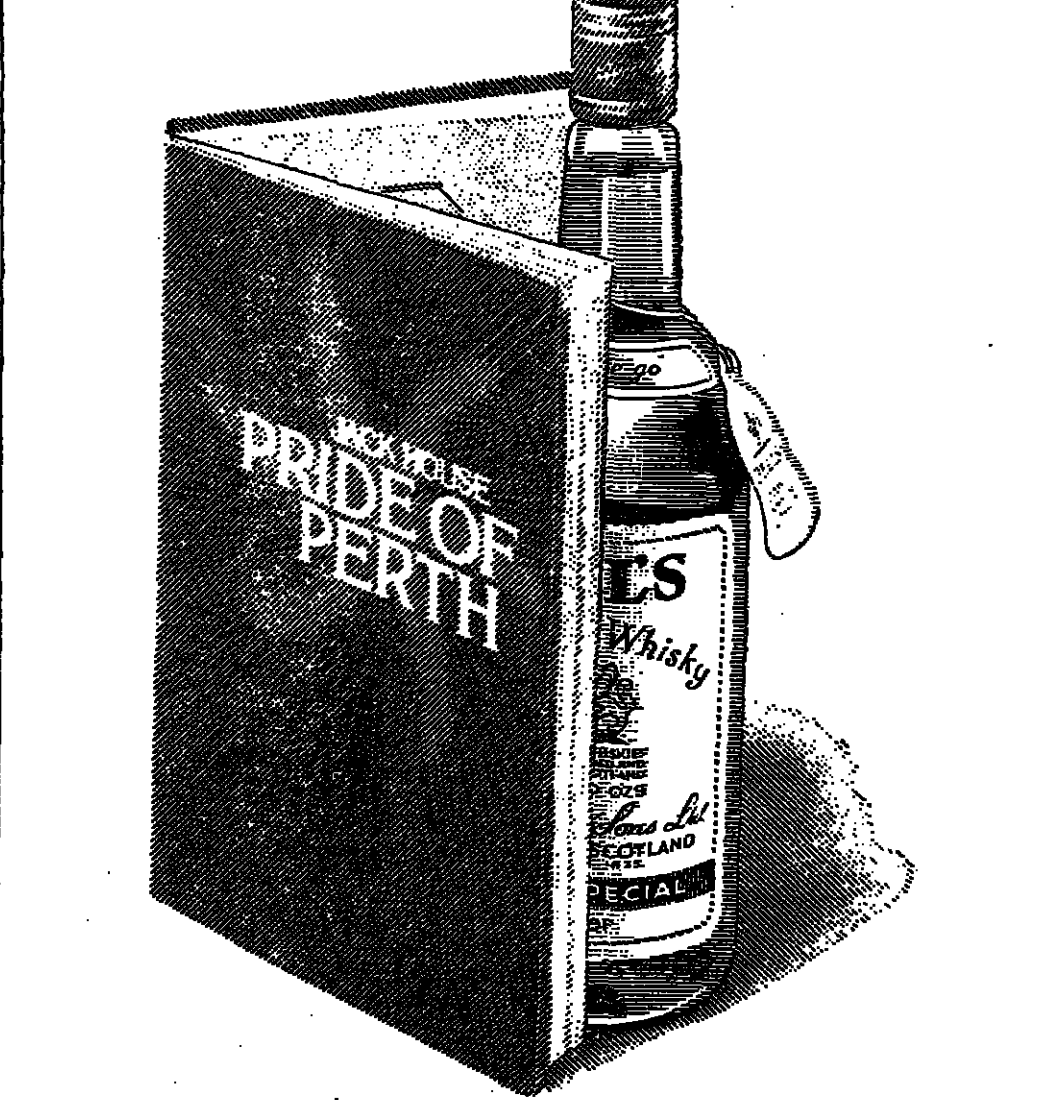
	Aug. 18	Previous
Spot	\$1.6225-1635	\$1.7800-7836
1 month	1.15-1.16	1.15-1.16
3 months	3.34-3.35	3.33-3.34
12 months	11.45-11.55	11.50-11.60

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PRIDE OF PERTH



Pride of Perth is not just the history of an organisation but of a unique relationship between a company and a city, in which the prosperity of the one has contributed to that of the other in an unprecedented way. Arthur Bell & Sons Ltd., Scotch Whisky Distillers, was established in Perth, the ancient capital of Scotland, in the year 1825. Now one of the best-known names in whisky, it is startling to think that it was not until this century that its name was agreed to label the product.

Pride of Perth is the story of a company whose performance is an investor's dream, and a tale of human enterprise which Jack House relates with a warmth and humour which makes it highly readable.

PUBLISHED BY HUTCHINSON BENHAM AND AVAILABLE FROM LEADING BOOK STORES

EUROPEAN NEWS

Turkish oil ship back to disputed Aegean

Turkey was due to launch the third phase of its controversial research programme in the Aegean Sea last night when the state survey vessel Sismik 1 Hora sailed from the Aegean port of Izmir at midnight, writes Motin Mamlur in Izmir.

This time the vessel will take soundings in the southern Aegean in a triangle of the Greek island of Chios. Earlier she had taken soundings in the northern Aegean. Her new mission will last for about seven days after which she would return to Izmir, officials said.

The UN Security Council in New York is currently working on a compromise formula to enable Ankara and Athens, allies in NATO and associates of the EEC, to enter into negotiations about the dispute.

Italian interest rates

Short term interest rates in Italy are expected to remain at very high levels as the country tries to stay within monetary guidelines set by the European Community.

AP-DJ reports from Rome, that the conclusion of the research department of the Banca Nazionale del Lavoro, published yesterday in its latest monthly bulletin.

Swedish jobless fall

Unemployment in Sweden decreased from 62,000 in June, or 1.5 per cent, to 58,000 in July, or 1.3 per cent, according to the Swedish Central Bureau of Statistics reported yesterday.

AP-DJ reports from Stockholm, that the July figure is the same level as in the same month last year.

Meinhof inquiry

An international commission arranged by the West German author Gerhard Zwerenz is to discuss conflicting evidence on whether the urban guerrilla leader Ulrike Meinhof was raped shortly before she died in jail.

Zwerenz said yesterday that he would meet in Stuttgart on August 26 and would be made up of medical experts, lawyers and writers from Italy, Britain and West Germany.

Juliana talks

Queen Juliana of the Netherlands returned to Italy last night to resume her summer holiday.

The queen is expected to talk with Prime Minister Joop den Uyl on a Government inquiry into allegations that Prince Bernhard took bribes from the Lockheed Corporation. A Government spokesman declined to comment on the matter.

Strikes and protests over Danish economic proposals

BY HILARY BARNES

COPENHAGEN, August 18.

AS THE Social Democratic minority Government to-day battled for the support it needs to carry its economic stabilisation programme through the Folketing (Parliament), factories all over the country were brought to a standstill by strikers protesting against the proposed measures and about 10,000 Copenhagen workers demonstrated outside the Parliament.

During a first reading debate on the proposals, which ended early this morning, a clear majority emerged against the Government's programme, which has been put forward by three main centre parties, the Radicals, Centre Democrats and Christian Peoples' Party.

The Government spent to-day and thus reduce the enormous

arguing in committee and trying to persuade some of the other small parties in the 10-party Folketing either to support it or abstain from voting against the measures.

When the crucial votes will take place remains uncertain. It could either be late to-day, tomorrow or Friday. And if the Prime Minister feels that he has no chance of carrying his programme he could dissolve the Folketing and call an election without putting the proposals to the vote.

The Government's programme is designed to cut consumer spending and imports, both of which have boomed this year, and thus reduce the enormous

current balance of payments deficit. Main elements in the programme include a series of purchase tax increases, Government spending cuts and a commitment to prevent wage and other incomes rising by more than 6 per cent a year in 1977 and 1978.

The largest Opposition party, the Liberals, hold the key position. They have indicated to date that they will vote the measures down, but with the threat of a foreign exchange crisis if the Folketing is unable to act, there is still a chance that the Liberals will refrain from casting the country into its third election in as many years.

Denmark takes stock Page 6

Seveso inquiry in Switzerland

BY ANTHONY ROBINSON

ROME, August 18.

JUDICIAL moves aimed at establishing responsibility for the local chemical plant at Seveso six weeks ago have now extended across the border to Switzerland, home of the Icmesa parent company Givaudan SA.

This follows the decision of the investigating Magistrate, Sigfrido Rosini, of the Monza Judicial Tribunal, to send a formal telegram to Givaudan managing director, M. Guy Waldvogel, informing him that he is under investigation and may be charged under Article 490 of the Italian Penal Code, which covers complicity in causing a disaster, and for failing to install adequate safety precautions at the plant. As is customary a copy of the telegram has been sent to Interpol informing them of this move.

Three of the locally based executives of Icmesa have already been arrested by the Italian authorities under the same charges although they were swiftly removed from prison to take part in supervising the evacuation of chemicals from the contaminated plant itself, a lengthy process which has been held up due to the breakage of two flanges on tanks containing chemicals to be removed.

The three are managing director Herwig Von Zwenl, production manager Paolo Paolotti and the technical director Giovanni Radice.

Meanwhile the Lombardy region has decided to put itself forward as an injured party in a civil-law suit aimed at claim-

ing damages from Givaudan. This civil case, in which both local communes and individuals in the affected zone are expected to take part, will probably proceed in tandem with the criminal proceedings.

At this stage the regional authorities estimate the damage caused to the worst hit zone, immediately downwind of the Icmesa plant, at around L12bn. (28m.) and around L40bn. for the entire affected area.

A plan by Hoffman La Roche to spray the contaminated area with a solution of chemicals, mixed with olive oil to form an emulsion, is also expected to go ahead. The emulsion would intensify the effect of the sun's ultra violet rays in breaking down the dioxin, a Roche spokesman said.

Meanwhile, the Vatican newspaper L'Osservatore Romano has again attacked the performing of abortions on women from the contaminated area, saying that pro-abortion campaigners were faithful followers of Hitler.

The newspaper's article, headlined "They cannot even cry," follows an angry campaign by the Roman Catholic Church leaders against the Government decision to allow the abortions.

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France-Soir union fight

BY RUPERT CORNWELL

PARIS, August 18.

THE GALE of opposition to the purchase of a 50 per cent interest in the mass circulation France-Soir evening paper by the controversial Press magazine and Centrist MP M. Robert Hersant is showing every sign of increasing.

Journals in France-Soir have voted by a margin of 105 to 48 to continue "indefinitely" the protest strike which has prevented publication for the past two days. They are also seeking a meeting with President Giscard d'Estaing to put their case for examining other solutions to the problems of their paper.

M. Hersant, who already owns the serious daily Le Figaro and a string of provincial publications, this morning paid a surprise call on top aides of Prime Minister Jacques Chirac. Afterwards he angrily rejected charges that he was undermining the press which the French President has vowed to protect.

His view, however, is not shared by almost every other journalist in Paris. Various Press unions have issued statements promising every possible step to block the transaction—including the threat to publish a "black book" of all the other papers in M. Hersant's control.

East German claims on growth queried

BY LESLIE COLT

BERLIN, August 18.

A HEADLINE in bold type on the front page of to-day's East German Communist Party newspaper Neues Deutschland proclaims: "Brown-coal miners achieve four day production lead over the plan." Such a gain in an important East German source of energy would mean a considerable success in the German Democratic Republic's drive to achieve an overall growth in production this year of 5.3 per cent.

Such reports emanating from the GDR cannot always be taken at face value, according to the German Institute for Economic Research in West Berlin which keeps a close watch on the GDR economy. It notes in its latest analysis of the economy's performance in the first half of this year that GDR reports of fulfilment and over-fulfilment of the 1976 plan are not supported by statistical data.

The Institute says nearly one half of the reported 5 per cent growth in production so far this year is due to an extra three working days being included compared with the same period last year. This actual growth was nearer to 2 per cent, it says.

Likewise industrial production is said to have risen by 6 per cent according to GDR statistics but after excluding the three working days this year it comes closer to a 3.5 per cent increase, the German Institute says.

The planned slow-down in the growth of East German living standards is reflected in the latest GDR statistics showing a 3 per

cent increase in the net income of the population compared with 4.3 per cent achieved in the same period last year and a goal of 4 per cent this year.

The West Berlin-based Institute says the GDR's readiness to provide information on its foreign trade has reached a new low. It says this contrast with the Soviet Union which since May of this year has begun to report on its trade each quarter. For the first time the GDR report on the fulfilment of the 1976 plan contains only blanket figures for total trade with no breakdown into exports and imports. Thus the GDR says total trade with western countries, including trade with West Germany, was down 2 per cent. The GDR's western trading partners however say that deliveries to the GDR rose by 5 per cent and that imports and exports went up by an equivalent amount. Thus the Institute estimates that the total GDR deficit in trade with the west last rose to well over DM700m.

The GDR had a deficit of DM1bn. in trade with Comecon, nearly all of it with the Soviet Union. Although GDR figures do not show this the Institute says Soviet trade statistics reveal that deliveries to the GDR dropped while imports rose sharply. As the Soviet Union accounts for 35 per cent of GDR trade, the Berlin Institute says East German exports expanded faster than imports.

Berlin transit row

BY NICHOLAS COLCHESTER

BONN August 18.

LITTLE more than a deadlock was achieved in to-day's meeting in East Berlin of the Transit Commission that tries to resolve arguments over the transit routes that link West Berlin to the rest of Europe.

The East and West German members had come together to discuss East Germany's action last Saturday in preventing 11 out of 18 busloads of young West Germans from attending a demonstration against the Berlin Wall.

These allies have already condemned the East German action, but they have not yet raised the matter with Moscow.

The official German statement on the outcome of to-day's meeting seems certain not to silence criticism of the conservative opposition, which has accused the government of Helmut Schmidt of being too soft in its dealings with the German Democratic Republic.

The best that can be said of it is that it contains no sign of a storm in East German-West German relations must now be endured.

West Germany had asked East Germany for its reasons for stopping east-bound buses. It did not get them. The East Germans merely cited what they considered to be sufficient evidence that "misuse of the transit routes" had been intended. They produced posters and brochures, and added that the pre-demonstration publicity had provided further grounds for suspicion.

The West German delegation said it would reserve judgement on this counter-argument and go over the matter with the three allied powers—Great Britain, France and the U.S.—which control the Western sector of Berlin.

Police raided the homes of suspected urban guerrilla supporters in West Berlin and in Lower Saxony and seized documents and electronic parts. The action by 92 policemen took place yesterday. They raided nine flats in West Berlin and a farm house in Lower Saxony, previously rented by a 29-year-old man thought to have been involved in a bomb attack on a Berlin court in 1971. He later died in a traffic accident, police said.

Statfjord 'blunder' over cost estimates

By Fay Gjester

OSLO, August 18.

MOBIL, operator on the giant Anglo-Norwegian Statfjord field, sent Norway's Ministry of Industry its estimate of increased development costs early in June, shortly before plans for the field were debated in the Storting (Parliament), a spokesman for the Ministry admitted to-day.

Through an almost incredible civil service blunder, however, the company's letter with the new estimates was not seen by either the Minister or the heads of the Ministry's Oil Division until last night.

Mr. T. Tamburini, the Ministry's information officer, said in a radio interview to-day that it was not yet clear how this "regrettable failure of communication within the Ministry" had occurred.

Industry Minister, Bjartmar Gjerdet, yesterday announced increased development costs for Statfjord based on estimates supplied in July by Statoil, the state oil company. Statoil's new figure was Kr.30bn.—including a natural gas liquids (NGL) separation terminal, costed at Kr.3.5bn., which was not included in previous plans.

Mobil's June estimate was Kr.24.6bn., against the six months' earlier figure of Kr.20.4bn., but Mobil probably did not include the NGL terminal, which is Statoil's idea. The terminal, which would separate natural gas liquids from oil piped ashore in Norway, will be feasible only if the pipeline is built, and Storting approval will be needed for both.

Meanwhile, the Ministry of Industry has announced that both the second and third production platforms on Statfjord will—like the first—be delayed by a year. This means that B platform will be installed in 1980 and C platform a year later. Neither has yet been ordered.

KONGSBERG Vapenfabrik, Norway's state-owned engineering and munitions company, has landed a Kr.12.15bn. Soviet order for a complete gas turbine standby and emergency generators intended for pumping stations along a gas pipeline from the Urals to Eastern Europe. Main contractors for the pipeline are the Italian company Nuove Pignone. Deliveries begin next May and will take about six months to complete.

FRENCH AEROSPACE PLANS

A turbulent decision

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FAR FROM solving the problem of what new civil airliner to build in Europe to meet the big markets anticipated throughout the world in the 1980s, last week's unilateral decision by the French Government to press ahead with the Mercure 200 design has injected a new element of uncertainty into an already complex situation.

The French plan, outlined in Toulouse by M. Marcel Cavallie, the Transport Minister, is for a short-to-medium range derivative of the existing Dassault-Breguet European Airbus.

Mercury 200, called the Mercure 200, that would be capable of carrying up to about 180 passengers over ranges of more than 1,700 miles. It would be powered by two of the new Safran-6B engines (Safran-General Electric) CFM-56 engines. The aircraft is estimated at over 1,000 short-to-medium range jets through the 1980s, both to replace ageing existing equipment and to meet anticipated traffic growth, but which by its very size promises to be the most competitive market yet seen in civil aviation.

The proposal envisages Aerospace, the State-owned aircraft manufacturer, undertaking 40 per cent of the aircraft work, with the privately-owned Dassault-Breguet (whose initial idea the Mercure 200 was) undertaking 5 per cent. McDonnell Douglas, the U.S. aircraft manufacturer, who has been talking about future programmes with Dassault-Breguet for some time, has been invited to undertake up to 15 per cent of the work, leaving about 40 per cent for other interested parties—presumably the rest of Europe, including particularly the West Germans, Dutch and U.K. industries.

While the proposal cannot be ignored, it does not so far seem to have enjoyed a warm welcome. Because it comes at a time when there is still a high level of uncertainty about future civil aircraft development in Europe, especially on an international collaborative basis, the Mercure 200 might have been regarded as a welcome initiative to break the log-jam of proposals of all kinds that have been under discussion for months past.

Instead, it seems to have upset almost everybody in Western Europe, as a unilateral move which cuts sharply across all the months of work to date. Furthermore, it is questionable whether the French Government could support financially the A-300 itself, the Mercure 200 and the B-10 version of the Airbus three major civil aircraft programmes.

Furthermore, there are doubts in the U.K. about the Mercure 200's ability to compete against such major rivals as the Boeing 727 three-engine aircraft.

In assessing the impact of the Mercure 200 proposal, the point to be borne in mind is that so far only one plan that has still to be refined in detail. Discussions between the proposed participants on their industrial and financial contributions could take several months, and it is not expected that any firm commitment can be signed until much later this year.

It is unlikely enough orders from the world's airlines to make the project a commercial success. So of Aerospace's impetuous decision by the French Government to press ahead with the Mercure 200 design has not really in a position to commit themselves. In any event they would want to assess that information against all the com-

peting designs—such as the McDonnell Douglas DC-X-200, Boeing 727 and 747 and the U.K. McDonnell Douglas makes it clear that it has only been "invited" to participate in the Mercure 200, stresses that any agreement to proceed depends on the outcome of detailed discussions on design, development and production tasks involved, as well as on the evaluation of an interest world-wide.

Officially, McDonnell Douglas says so more than this, but it is widely believed in the U.S. other aerospace industries. McDonnell Douglas would be unlikely either to do substantially alter its own DC-X-200 airliner in favour of the Mercure 200, or to do French-dominated programme.

Apart from all this, the German and Dutch industries believed to have made it, that the shares they are offered in the Mercure 200 too small to justify their participation. The German 200's impact upon the B-10 bus, in which they both sizeable stakes.

Finally, the background to the Mercure 200 itself is encouraging, it stems from a 1960s of which only 10 have been sold, to inter, the French domestic line. The 200 derivative is a narrow-body jet, with elongated fuselage, although does have the benefit of the breed of quieter, advanced technology CFM-56 engines.

The Mercure 200 could prove successful. The French aerospace industry is respected for its engine ability, and if the French Government is prepared to invest large sums in the programme, at a time severe cash shortage in aerospace, other manufacturers will be bound to take note only from the viewpoint possible competition.

The French Government aerospace industry know well, and it could be that have put the Mercure 200 forward, not so much because believe that it will be successful, but because they felt the need to put a situation that app to be getting bogged down talk with no decisions imminent. If so, they have undoubted succeeded. The flurry of activity in the past week shows just concerned the other industry, the U.S. and the U.S. are the situation. Whatever outcome of the Mercure 200 itself, there seems little that the French announce has stimulated a new surge international discussions will continue for some time.

Spanish tourist industry is hit

BY OUR OWN CORRESPONDENT

MADRID, August 18.

HOTEL OWNERS from the Balearic Islands, one of Spain's most important tourist regions, will fly to Madrid on mass early next month to put a lengthy list of grievances before the Government. The seriousness of the situation was highlighted last week when the Spanish Prime Minister, Sr. Adolfo Suarez, held talks with the president of the National Hotel Syndicate.

The July-August "high season" looks very disappointing indeed for the tourist industry, formerly the key economic growth sector: the number of tourists arriving in July dropped to 5.5m. from the 6m. in the month last year, according to provisional figures released by the Ministry of Information and Tourism.

Tourism this year is now expected to fall near its low point, increasing investor pessimism about the Government's measures.

Spain had hoped that it would receive about 45m. tourists this year, basing its plans on the growth patterns of the 1960s. Equally disappointing has been response to the second round of economic reactivation measures announced by the Suarez Government.

The measures, which became law on Friday, included what were put forward as "attractive incentives" for investment in the depressed equity market.

A mild initial rally, during which the Madrid market index rose by 2.41 points, followed announcement of the measures, but Spain's three stock exchanges have now returned to the doldrums.

To-day, share prices in Madrid fell by more than a point, increasing investor pessimism about the Government's measures.

Market observers said that the country's acute problems were expected to continue to plague the Government later this year, when it is to introduce political reforms to prepare for elections.

Meanwhile, a spirited drive appears to be next of economic agenda following that Spain had succeeded cutting its seven-month deficit, albeit slightly. Spanish imports during the period compared to 46 per cent during the period last year.

The Ministry of Commerce indicated, however, that it is "virtually impossible" to import further, with fully in per cent, classed as "indispensable" and that Spain's only means of easing its trade deficit lie in increasing exports.

THE UNION STEEL CORPORATION (OF SOUTH AFRICA LIMITED)

(Incorporated in the Republic of South Africa)

Interim Report for the six months ended 30th June, 1976

CONSOLIDATED INCOME STATEMENT

	Six Months Ended 30.6.1976	Six Months Ended 30.6.1975	Twelve Months Ended 30.6.1975
Turnover	71,964	64,320	135,442
Operating surplus	8,811	8,614	16,476
Income from investments	410	283	391
Depreciation	2,301	2,172	3,721
Interest on borrowings	1,716	1,633	3,169
Amount written off shares in subsidiary company	—	—	87
Profit before taxation	5,204	5,067	9,900
Taxation	2,182	2,220	3,692
GROUP PROFIT	3,042	2,847	6,208
Earnings per ordinary share	10.40c	9.74c	21.52c
Dividend per ordinary share	—	—	3.50c
Capital commitments	5,267	3,930	4,546

Trading Results The unaudited consolidated profit after tax for the six months amounted to R3 042 000 compared with a profit of R2 847 000 for the corresponding period of 1975. This shows an improvement in profit after tax of R195 000 or 7%.

1. Profits from steel products, castings and copper products declined during the first six months of 1976 compared with the same period in 1975. The lower profits can be attributed to lower despatches of the product groups.

The steel market deteriorated during the first six months of 1976 and the deterioration continues.

As the result of prevailing market conditions the recent steel price increase was not applied to special steels. Customers tend to cut back on ordering levels to decrease stocks owing to the present economic conditions and cash flow problems.

2. The latest projections of the Group's profit for the year-end indicate that profit after tax will be less than 1975.

Interim Dividend Notice is hereby given that an interim dividend of 8 cents per R2.00 share has been declared on the cumulative participating preferred "A" and "B" shares for the six months ended 30th June 1976, payable to shareholders registered in the books of the corporation at the close of business on the 3rd September 1976.

The transfer books and registers of members will be closed from 4th September to 17th September, 1976, both days inclusive, and warrants will be posted from Johannesburg and London on or about 6th October 1976. Registered shareholders paid to London will receive the United Kingdom currency equivalent on 29th September 1976 of the Rand value of their dividends, less appropriate taxes.

Any change of address or dividend instructions must be received by the transfer secretaries on or before 3rd September 1976.

Non-resident shareholder's tax of 15 per cent will be deducted from dividends payable to shareholders whose addresses in the share registers are outside the Republic of South Africa.

By order of the Board
D. C. Odendaal
Divisional Manager
Finance and Administration
Registered Office:
General Hertzog Road,
P.O. Box 48,
Vereeniging 1930

17th August 1976
London Secretaries:
Anglo American Corporation of
South Africa Limited,
40 Holborn Viaduct,
London EC1A 1AA.
Transfer Secretaries:
Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001
(P.O. Box 61051)
Marshalltown 2107
Charter Consolidated Limited,
Charter House,
Park Street, Ashford,
Kent TN24 3EQ

Allied Retailers



Points from the statement by the Chairman, Mr. H. Plotnikoff for the year ended 3rd April, 1976.

- * Profits increased by 78%.
- * Turnover increased by 72%.
- * Dividend is the maximum permitted.
- * Although the economic climate for consumer spending is difficult at the present time, your directors remain confident about the medium and longer term prospects of the Group.

Summary of Group Results

	1976	1975
Turnover	53 weeks £43,380,194	52 weeks £25,211,529
Profit before Tax	£3,302,446	£1,860,216
Tax	£1,792,270	£1,002,182
Earnings per share	19.32p	10.98p
Dividends per share	4.82625p	4.417p

The Financial Times, published daily except on Sundays and public holidays. The subscription price of the Financial Times (which includes postage) is £12.00 per annum in advance by cheque or credit card. Single copies 5p. (In the U.S.A. and Canada \$15.00 per annum in advance.)

OVERSEAS NEWS

Yen makes sharp gain against the dollar

By Charles Smith

TOKYO, August 18. — THE YEN made another sharp gain against the dollar on the foreign exchange market today, closing at ¥122.85, the highest since March 1977. A further interesting development was that features quoted a premium over the spot rate, something that has not happened since Japan's currency was strengthened some two months ago. This appeared to have been due to a heavy influx of short-term funds. Today's turnover in spot trading on the Tokyo market was ¥350m, more than double the turnover of the previous day and the highest level about five months. Some ¥1m were said to have been sold by the Bank of Japan at the rate of ¥228 to the dollar. The bank's last intervention in the market was on Monday when they appreciated ¥230 to the dollar. Market observers believe that the Bank of Japan is following a strategy of intervening each time the yen appreciates by ¥2 to the dollar. Today's intervention, however, was on a much larger scale than Monday's and bank is unlikely to want to be back into the market so early in the next few days. Bank of Japan dollar buying the exchange market tends to be reflected closely in the price of the foreign exchange reserves. These stood at \$13.9bn at the end of July. The movement favouring the dollar of the fast breeder reactor in Japanese Government private industry has taken a further step with the creation of heavy industry and electric power group to study the possibility of a breeder reactor project. AP-DJ reports. The firms involved are Mitsubishi Heavy Industries, Tokyo Electric (Toshiba), Aichi, and Fuji Electric. Sources said today that Kawasaki-Harima Heavy Industries and Mitsubishi Electric join the group. The sources said that while discussions have begun, establishment of a fast breeder reactor manufacturing venture might be possible by the end of the year. Last week a study panel recommended to Japan's Atomic Power Commission that development of fast breeder reactor be speeded.

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Angola venture defended by Cubans at Colombo

By Robert Graham

COLOMBO, August 18.

CUBA'S Vice-Premier Dr. Carlos Rafael Rodriguez, today, defended the country's involvement in Angola as the first example of "international military solidarity" carried out by revolutionary states far distant from each other. Speaking at the non-aligned summit here in the name of absent Cuban leader Dr. Fidel Castro, he gave the fullest justification yet of Cuba's massive military assistance to Angola and the MPLA.

He said that international solidarity was a fundamental duty of the non-aligned nations. As part of this duty, "several thousand Cubans left for Angola and many thousands more sought to have this privilege."

Without Soviet assistance, Dr. Rodriguez claimed that it would have been difficult to fight the combined opposition forces in Angola assisted by U.S. imperialism and its satellites like South Africa.

Cuba's ties of solidarity would remain, he said. "As the gradual withdrawal of Cuban troops in Angola begins, Cuba reiterates its undertaking whereby Cubans will remain in numbers so long

as the Government of Agostinho Neto considers necessary to give the popular armed forces a solid organisation to liberate Angola and to assist in any new attempt to invade Angola."

Turning to economic issues in which the Cubans have been extremely active here in proposing a special draft of their own to the economic declaration of the conference, Dr. Rodriguez attacked the unwillingness of the "capitalist countries" to accept Third World proposals at UNCTAD IV in Nairobi. He took the oil producers to task for insufficient commitment to the cause of fighting underdevelopment and generally urged a more militant stance of the developing countries in attempting to achieve a new economic order.

This speech emphasised one extreme of the spectrum of views being put forward here in the formal speeches of the representatives of the 85 non-aligned countries.

At the other end of the spectrum was the attitude expressed today by Singapore's leader, Mr. Lee Kuan Yew. As a sign of how warily he treated the aims

of the conference the Singapore Prime Minister refused to turn up and even delegated his representative to distribute his prepared speech in the form of a statement to the conference.

Mr. Lee went straight to the point. "The question I asked myself as I read through the draft resolutions submitted to this conference was: Who am I uniting with and for what objectives and purposes and against whom?" He then went on to challenge many of the conference's accepted assumptions.

He made a thinly veiled attack on the militant positions of such countries like Cuba in demanding reform of the international economic system. He said he believed these countries were with the rest of the non-aligned in their struggle against the West for a more equitable arrangement and just sharing of the world's wealth. "But I believe they are not depending on the IMF, or the World Bank, or in commodity stockpile financing or transfers of technology through MNC's for their salvation. That is, these countries are being militant about changing a system upon which they do not depend."

1978 date set for independent Namibia

WINDHOEK, August 18.

THE WINDHOEK constitutional conference today set December 31, 1978, as a target date for Namibia (South-West Africa) independence, a conference statement said.

The territory will be governed by an interim multiracial Government until it becomes fully self-governing after a constitution has been finalised, it said.

Delegations from the region's 11 major tribes, the whites and the coloured people have been meeting for nearly a year to devise a constitution for Namibia.

The statement said the conference's constitutional committee "has agreed that December 31, 1978, can be set with reasonable safety as independence date for South-West Africa."

It said an interim government would be established "as soon as we have agreed on constitutional basis and as soon as we have concluded negotiations with South Africa."

"The interim government will handle the transfer of government functions and establish a permanent State according to a constitution which will be evolved in the interim period," the statement said.

The United Nations has set August 31 as a deadline for the Republic to withdraw its troops from Namibia and to hold free elections.

Conference sources said the announcement of a target date for independence and a multiracial interim government might help ease pressure on Pretoria in grant immediate independence. UPI.

Doctor charged in Rhodesia

SALISBURY, August 18.

AN ITALIAN woman doctor faces a possible death sentence for having treated a wounded black guerrilla at a Rhodesian war zone mission hospital, police confirmed today.

A police spokesman said Dr. Louisa Guidotti had been charged under the law-and-order maintenance act with "assisting, or failing to report the presence of a terrorist."

She is the first white to be charged under the Act and if found guilty faces a maximum penalty of death or life imprisonment. Legal sources said, however, it was unlikely she would be given the maximum sentence.

Dr. Guidotti has worked since 1966 at the All Souls Mission Hospital, near Mtoko, a farming centre in the military operations area about 80 miles north-east of Salisbury. UPI.

Palestinians start guerilla action against Syrians

By Ihsan Hijazi

BEIRUT, August 18.

PALESTINIAN forces in Lebanon are launching guerilla attacks on the Syrian army. There is a deepening realisation in Beirut that the Syrian presence may be a serious impediment to peace in the country's civil war.

According to the independent daily Al Nahar, many roads in the Bekaa valley have become impassable since guerillas have planted mines there and have ambushed Syrian forces. Two people were killed by mines near Shioura on Sunday and seven others were wounded when their bus was blown up by a mine in the same area.

Yesterday several Syrian soldiers were injured when they were ambushed by gunmen near the town of Beduayel, not far from the Lebanese airforce base of Rayak. According to Al Nahar, the Syrian army responded with artillery attacks on the villages in which the guerillas were thought to be hiding.

In the south of Lebanon female guerillas are reported to have been luring Syrian soldiers into Palestinian ambushes and traps.

Meanwhile the light Syrian restrictions on travel between Lebanon and Syria are playing havoc with the travel plans of many Lebanese. Visa applications have to be made at least

48 hours in advance, and Lebanese already in Syria need permits if they want to return home.

According to reliable sources, Syrian authorities are screening the 600,000 Lebanese living in Syria, following a reported series of explosions in Damascus. The Syrians are reported to believe that large numbers of saboteurs have entered the country to engage in subversive activity against the regime.

The heavy Lebanese presence in Syria has raised food prices both in the country and in the Syrian-controlled areas of Lebanon. Bread and petrol prices have doubled in the Bekaa valley in the past few days. The daily Al Anwar, which sympathises with the Syrians, has hinted editorially that the Lebanese "sickness" may be contaminating Syria rather than Syrian "health" cleansing Lebanon.

Observers believe that the Palestinian and Left-wing movements are aimed at drawing the Syrian forces directly into the fighting and escalating it so as to create a case for more effective Arab intervention.

The Left and Palestinians blame the Syrian presence for the gains that the Right-wing Christians have made, including

the fall of the Tel al Zaatar Palestinian camp.

The Palestinians are determined to fight on, and have launched attacks on Right-wing positions in Beirut. Last night was one of the most violent that the Lebanese capital has witnessed in months with shells and rockets being exchanged at the rate of more than one a minute. At least 16 people were killed as projectiles fell indiscriminately in residential areas.

The Palestinians have so far refused to negotiate, as they do not wish to do so from a position of weakness.

Libya has moved to revive its mediation between Damascus and the Palestinians, with reports of the Libyan leader Col. Muammar Kaddafi meeting President Assad of Syria in Colombo. President Anwar Sadat of Egypt was having talks today with King Khalid of Saudi Arabia.

L. Daniel writes from Tel Aviv: Israel has opened a special customs post at Doves on the border with southern Lebanon to cope with the heavy volume of trade passing across the border. Under the "good fences" policy, Lebanese who have long been separated from their relations have been reunited at a clinic set up by the Israeli army.

U.S. officers die in Korea fight

SEOUL, August 18.

ABOUT 30 axe-wielding North Korean army guards killed two U.S. military officers and injured nine other Americans and South Korean soldiers today in an unprovoked assault at the truce village of Panmunjom, the UN command said.

The North Korean guards attacked a small work-party trimming trees in the demilitarised zone between the two Koreas.

The spokesman said the attack occurred after one of the North

Koreans, the Command said. The identities of the two victims were not immediately disclosed.

In Washington, a Pentagon spokesman said the killings "were the first deaths ever in the joint security area, site of the joint Armistice Commission meetings (between the two Koreas)."

The spokesman said the attack occurred after one of the North

Korean guard leaders ordered the others "to kill" the UN Command personnel.

"The two U.S. army officers died from massive head injuries and stab wounds inflicted by an estimated 30 North Korean guards who attacked a small United Nations Command work-party with axes, metal pipes and gas handles," said the spokesman.

The UN Command said four other U.S. soldiers and five South Korean soldiers were treated for minor cuts and bruises. He said one South Korean soldier assigned to the U.S. army support group was hospitalised for stab wounds.

In Washington, Lt. Col. McRaney said a meeting of the 37th Military Armistice Commission was called for Thursday to investigate the incident.

Lt. Col. McRaney said the area of the incident was "neutral" territory within the DMZ "where free access and movement are guaranteed by the armistice agreement. He said the North Koreans also damaged UNC vehicles during the melee. UPI.

NZ moves over strikes

WELLINGTON, August 18.

THE GOVERNMENT passed special legislation today to counter a rash of strikes by trade unions protesting against a wage freeze imposed in March.

The Government placed the unions by imposing a price and rent freeze which will last until the end of the year. Exemptions to the price freeze are fish meat and livestock.

The Government also passed other legislation widening the definition of strikes to include

overtime bans, go-slow and political demonstrations. The legislation gives employers powers to suspend non-striking workers where work is not available during a strike.

Labour Minister Peter Gordon said in introducing the legislation that New Zealand is facing a grave industrial situation with the strikes threatening production and viability of key sectors of the economy, particularly in transport, engineering, pulp and paper industries.

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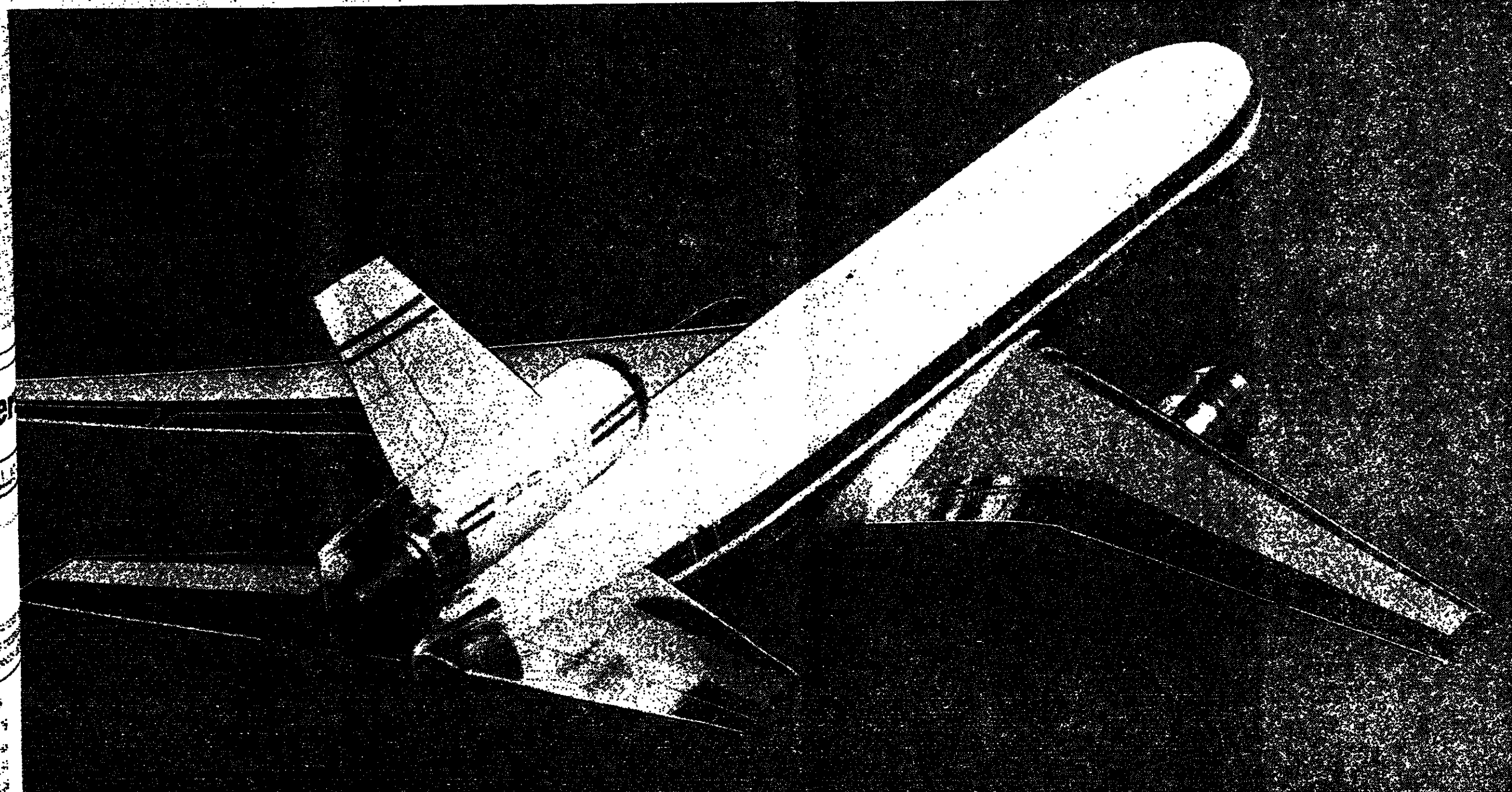
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MCDONNELL DOUGLAS



AMERICAN NEWS

Republican split over the Vice-Presidential choice

BY DAVID BELL

KANSAS CITY, August 18.

PRESIDENT FORD last night won an extra day in which to choose a vice-presidential running mate, but he still faces serious problems in finding a man who will be accepted by the far Right of the party and at least tolerated by its more moderate wing.

Not for the first time, after a frenetic week, he must be envying Mr. Jimmy Carter who had a month to consider his six vice-presidential finalists and could afford to dangle them in front of the party while gauging the reaction. Mr. Ford has had no such luxury. As an unelected President in the closest-fought Republican Convention this century, he runs the risk that whoever he chooses may alienate one of the factions within the party.

The Reagan forces have now lost their chance to force his hand. But Mr. Ford knows that a wrong choice could still drive many of those on the right to the arms of the "American Independent Party," an ultra-conservative group that is holding its own convention in Chicago next week. It is contending that a substantial number of Republicans simply will not work for Ford in the autumn campaign.

This Convention has revealed more starkly than before that the party is split both geographically (the moderate north-east and mid-west and the much more conservative south and west) and politically with the moderates having very little in common with the conservatives who have all but eclipsed them this week. Threading a way through this minefield is difficult although it may have been made a little easier by the fact that Mr. Ford

now appears to be assured of New Jersey and neatly straddles at least one of the fissures within the party.

A majority of the delegates want a Ford-Reagan ticket which is still a possibility, but Mr. Reagan has so firmly ruled it out that it seems a little unlikely that he would now accept a place on the ticket. In any case, Mr. Ford is known to like Mr. Reagan and, while adding him to



the ticket might unify the party, it would probably not give it much extra appeal in the country.

It seems fairly clear that Mr. Ford—who stresses the need to choose someone capable of taking over from him if necessary—would have preferred Mr. John Connally, the former Democrat who joined the Republican Party after serving as Mr. Nixon's Treasury Secretary. His name, however, has provoked uproar among moderates in the North because of his links with Watergate and he might present too easy a target for the Democrats.

But Mr. Ford has been careful not to rule him out publicly because he is a favourite with conservative voters whom he still dares not alienate, at least not until after the nomination. He has turned to others and these include Mr. William Simon, the Treasury Secretary, who is popular in the south but comes from

the ticket might unify the party, it would probably not give it much extra appeal in the country.

There are a number of young Republican Governors including Governor Bob Ray of Iowa and Governor Dan Evans of Washington, who are new faces and might do well in an "anti-Washington" year. They also have no Watergate connection. This leaves two current favourites. The first is Senator Howard Baker from Tennessee—a Southerner who has skillfully maintained his links with both Ford and Reagan, but served on the Watergate Senate Committee and was widely praised for the way in which he reacted to that affair. The conservatives would accept his appointment and the moderates would tolerate it but it emerged too late that his wife had in the past a severe drinking problem which could give Mr. Ford pause for thought.

The conservatives would be rather less happy with the other favourite, Mr. William French Buckley, who resigned during the 1973 "Saturday Night Massacre" rather than comply with President Nixon's order to dismiss Mr. Archibald Cox as Special Prosecutor. A former chairman of the Environmental Protection Agency, he is now a lawyer and would be well received in the north and mid-west.

There is a suspicion, in fact, that this is why his name has surfaced in the past two days, and the names of Mr. William Scranton who is now Ambassador to the United Nations and Mr. Elliot Richardson, the Commerce Secretary—is no doubt intended to reassure any northern moderate delegates who might be wavering even at this late stage.

Justice Dept. shipping probe

BY OUR NEW YORK STAFF

NEW YORK, August 18.

THE U.S. Justice Department is once again taking a look at the shipping lines that carry goods across the Atlantic. Records of at least one line—Sea Land, an R. J. Reynolds subsidiary—have already been subpoenaed, and more are likely to follow.

Other companies involved in the investigation include a consortium of British, French, Dutch and Swedish steamship companies, a consortium of Belgian, British and Hong Kong lines, Hapag-Lloyd, a West German line, and several U.S. companies, including U.S. Lines and Atlantic Container Line.

Most of the companies which negotiate Atlantic waters are members of a "conference," the prime function of which is to set cargo prices. Since such an agreement tends to limit compe-

tion, the Justice Department is opposed to it in principle, and tends to jump at the chance to investigate its legality.

The law under which the conference has traditionally found its immunity from the usual anti-trust regulations is the Shipping Act of 1916, which enabled a common tariff to be established between any members of the cartel, they under the U.S. flag or any other, and then filed with the Federal Maritime Commission.

An argument in favour of the cartel is that in the shipping industry, unlike that of trucking, for example, free entry into the business is prohibited. Without some sort of tariff fixing, such as is practised among airline companies by the International Air Traffic Association (IATA), U.S. companies would be hard

pressed to maintain good trade business.

The conference also prohibits anti-competitive practices—deferred rebates, for example, which is a method of ensuring loyalty on the part of a client to the conference member by offering a reduction but withholding it on condition of renewing the contract.

What may have touched off this particular wave of interest, which actually began last year, is the importation of alcoholic beverages, which is largely controlled by the National Association of Alcoholic Beverage Importers. The association negotiates cargo rates with the conference, and with non-conference members, should they decide to enter into competition with the conference lines.

Income rises 10.6 per cent. during July

By Our Own Correspondent

WASHINGTON, August 18.

PERSONAL INCOME in the U.S. which has slowed its rise in June, bounced up again in July to record its largest one-month advance in almost a year. Government figures show total income received by all Americans from all sources jumped about 10.6 per cent. over 1977, which amounts to a real increase of about 4 per cent.

Described by a government economist as a "slow but steady rise out of the recession," the figures represent a substantial gain in wages and salaries last month, coupled with a major cost of living increase for social security recipients and many employees.

The July increase puts personal income at a seasonally adjusted annual rate of \$1,350bn. Wages and salaries rose \$8.16bn. in July, the largest advance in that category since last December—to account for most of the overall personal income increase.

Chile junta in church clash

BY HUGH O'SHAUGHNESSY

THE MILITARY junta of Gen. Augusto Pinochet is facing what is seen by local observers as its biggest political crisis since its installation in September 1973 as a result of a new clash with the leaders of the Catholic Church.

Yesterday the standing committee of the Chilean bishops accused the Government of producing a state of "insecurity" for every member of the nation as a result of its decision to expel as "security risks" the distinguished Chilean jurist Sr. Eugenio Velasco and the former Christian Democratic minister Sr. Jaime Castillo.

The junta's action was "un-

acceptable," the bishops said, and they added that if arbitrary measures could be taken against the distinguished Chileans what hope of justice was there for humbler members of the community.

The bishops' condemnation of the junta's action came hard on the heels of their excommunication, on Tuesday, of Sr. Manuel Cabrera, a godfather of Pinochet and his associates who organised a mob at Santiago airport to stone three bishops returning at the week-end from a consultation in Ecuador which had been broken up by the Ecuadorian police.

Venezuela agrees \$8bn. budget

BY JOSEPH MANN

CARACAS, August 18.

VENEZUELAN PRESIDENT Carlos Andres Perez and his Cabinet yesterday approved a \$8,099bn. budget for 1977, up from this year's estimated Government expenditure of \$7,71bn.

Operating expenses will account for just over half the new budget, showing a 6.4 per

cent increase over operating costs in the current year. Venezuela's petroleum industry now in the hands of the Government will continue to supply the bulk of the Government income. This year's estimates put oil revenues at \$6,989bn. of total expenditures that will probably rise above \$7,71bn.

Olympic defector opts to go home

Sergei Nemtsanov, the 17-year-old Olympic diver who defected from the Soviet team just before the Games ended two weeks ago, has decided to return home.

Robert Gibbons, writes from Montreal. Federal immigration sources confirmed he met with Canadian and Soviet officials in Montreal to work out details of his return. Soviet officials in Ottawa refused to comment. Two Canadian lawyers who acted for him two weeks ago were aware of this decision.

Canadian officials in Montreal said it was entirely Mr. Nemtsanov's decision whether to stay or return. "The ball is in his court as far as we're concerned," said one. Two weeks ago he was granted special permission to remain in Canada till January 30, 1977. Four other athletes who defected from Romania were given the same permit. Soviet officials claimed he had been kidnapped and forced to defect by Canadian security authorities, demanding his return. Canada replied he was old enough to know what he was doing and rejected the Soviet charges.

U.S.-Canada talks

Fishing rights and relations with the Third World are on the agenda for U.S. Secretary of State Henry Kissinger's talks with the Canadian Foreign Minister, Mr. Allan Rock, in Ottawa. AP-DJ reports that the talks will be discussions were scheduled to begin yesterday in advance of a MacEachen trip to Asia.

Contract extended

American Can said yesterday it has reached an agreement with United Steelworkers of America for extension of its current basic labour contract which is due to expire on February 28, 1977. The contract covers some 9,000 employees throughout North America, AP-DJ reports.

Concorde suit

The U.S. Court of Appeals has refused to permit the town of Hempstead on Long Island and several other New York suburbs to become full defence participants in the suit filed by sponsors of Mars on September 1, 1977, from New York. They had asked for full intervenor status along with the Port Authority of New York and New Jersey, in a fight to keep the Concorde from using New York's Kennedy Airport.

Scientists at the Jet Propulsion Laboratory, Pasadena, California, must decide by Friday whether the Viking 2 lander will attempt a touchdown on the Arcadia area of Mars on September 1, 1977.

The spacecraft is now orbiting the planet, checking possible landing sites before joining Viking 1 on the Martian surface. On Tuesday it began taking pictures of the Utopia area, one of two alternatives to Arcadia as a landing site.

Greek ship fined

Owners of a Greek fishing vessel that was seized for illegally taking shellfish on the continental shelf two months ago have been ordered to pay \$150,000 to the U.S. Government, AP-DJ reports from Boston. The settlement was for less than the \$4 million claimed by the Russians when the trader Anton Tammasaare was seized on a similar offence last March.

Jamaica tourism

Jamaica's tourist industry declined by 2.9 per cent. in the first half of this year, compared to the January-June period of last year, the island's Tourist Board reports, our Kingston correspondent wrote. The decline in the industry, from which the island last year earned Jamaican \$118m. (\$70m.) has been attributed by officials to a long-term unimprovable atmosphere. An 8 per cent. drop in tourist traffic from the U.S. has been attributed to "negative publicity" about the island's internal developments.

W. German trade surplus 'will not rise this year'

BY NICHOLAS COLCHESTER

BONN, August 18.

WEST GERMANY'S exports, now the strongest feature in the country's economic expansion, will continue to grow according to the German Economic Institute in West Berlin.

But because of a matching increase in West German imports, the 1978 balance of trade in goods and services will not be larger than the DM25.3bn. recorded in 1977.

The Berlin Institute reports that exports of goods and services were up by 11.9 per cent. (11.5 per cent. real) in the second quarter of this year over those of equivalent period in the previous year. This continued a 12.1 per cent. increase in cash terms reported for the first quarter. German sales to France have continued to expand particularly rapidly, as have exports to Switzerland, Sweden, Austria and Belgium-Luxembourg.

On the other hand, the fall of the pound appears to have acted as a brake on German exports to Great Britain, which only grew a little, as did the "Bordet" scheme introduced by Italy.

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IN BRIEF

New British company i Polish deal

Petrocarbon Development, a member of the Ruhr, group, has signed a letter of intent with Laing Projects confirming that Laing carry out the civil engineering construction for the 1.1 complex being built by Petrocarbon at Wlodek, Poland.

The civil construction valued in the order of £2 will be started in Poland within the next few weeks with the intention of finishing civil works in approximately 18 months.

Petrocarbon signed the contract with Laing Projects last September. The contract is valued in excess of £25m.

U.K. invisible earnings up

THE U.K. remains the second largest earner of invisible earnings, after the U.S., also has the second largest invisible surplus, in spite of a small fall in its share of total invisible earnings, according to the latest world invisible trade study published yesterday by the Committee for Invisible Exports.

Britain's total invisible receipts in 1977, the last period covered, rose to \$2 (about £10bn.) from \$1.9 in the previous year, though share of world invisible earnings slipped slightly from 11.1 per cent.

Pepsi contract

Three new Pepsi Cola plants are to be installed in the Soviet Union and will be paid for by the U.S. Government. The contract is to be a dollar-for-dollar arrangement, with the Soviet Union paying for concentrate Pepsi and production equipment in vodka, which Pepsi will retain in the U.S. Final details were announced

set guidelines and management, leaving the day-to-day running of the port to its existing management. The INP will be aiming steadily but determinedly with three areas designated priorities. The first and politically-sensitive is the to improve productivity of workers and to reform a system which yields high for few guarantees of performance.

Port workers are repressed by a single powerful union which is setting its face against any reorganisation seeking to raise productivity through a reduction in manning. Clearly changes on this front will in some way be bargained several years to achieve.

A second important task for INP and its advisers is improving cargo handling procedures. Quay sides are felt to be necessarily congested at moment but the speed with which they are cleared up will be affected by the rate at which material systems can be improved and machinery repaired. This third area of priority for INP.

At the same time the authority will be asked to tighten up port security. It is currently the responsibility of the Guardia Nacional, Venezuela's quasi-military force.

Mr. Roger King, a British expert recruited by INP, recommended a tour of ports for some senior officials

HOME NEWS

Toyota paid offer upsets Bristol

By John Wyles, Shipping Correspondent

LEGATIONS that the Government had tried to take trade away from the port of Bristol offering cash aid to Toyota's subsidiary were made yesterday at the start of what is expected to be a heated row between the Labour-controlled Bristol City Council and Mr. Eric Riley, the Industry Secretary. Bristol Council's anger has been aroused by Mr. Wyles' refusal to grant an Industrial Development Certificate for a development by Toyota (GB) Ltd. at its new £37m West Dock which is due to start operations at the end of this year.

Certificates are required for industrial developments outside assisted areas and are a Government tool for directing industry.

Toyota and the port authority agreed terms for a £5m. sublease block and car distribution centre within the West Dock, which would replace services as the point of entry for the 24,000 Toyota vehicles imported from Japan annually.

Mr. Wally Jenkins, chairman of the local authority's docks committee, claimed yesterday before ruling whether the development would need a certificate. The Department of Industry told Toyota that it had rejected the proposed site at an area, £1m. worth of aid to be available over a three-year period.

After the Department decided the project could not go ahead without a certificate and the aid would not be granted. The Government is saying it will pay £1m. to bring in Japanese cars anywhere but through Bristol, added Mr. Jenkins. However, it was officially noted in London yesterday that Toyota's application fell outside the category of "mobile plants." This meant that there were no overwhelming reasons for Toyota's new centre located at Bristol.

Equal pension status 'hinges on common retirement age'

ERIC SHORT

REPORT of the Occupational Pensions Board, published yesterday by Mr. David Ennals, states that equal status for men and women in occupational pension schemes cannot be achieved until the Government sets a common retirement age in the scheme.

The report says that the test of status should be based on identical benefits and pension rights, rather than on the age at which the pension is paid. The effect of this principle is that men and women should receive the same pension at the same age, the extra cost of providing pension for women borne by the employer.

Chemical industry growth forecasts 'unrealistic'

BY RHYS DAVID

BRITAIN'S CHEMICAL industry has told the Government that growth projections for chemicals included in a recent paper on medium-term prospects for industrial sectors must be regarded as unrealistic.

The paper, submitted by the Treasury to the National Economic Development Council, in March, set a target for the chemical sector of 10.8 per cent. a year.

One envisages an annual growth rate for chemicals of 8.2 per cent. against a rate of 5.7 per cent. for manufacturing as a whole.

This more cautious view of prospects was rejected by the NEDC meeting two weeks ago, which concluded that only the second forecast—providing for overall manufacturing growth of 7.2 per cent. and chemical growth of 10.8 per cent. a year—could bring down unemployment rapidly enough.

A letter to the Chancellor and the Secretary for Industry, from Mr. John Hunter, president of the Chemical Industries Association, and managing director of BP Chemicals, says that it is not believed that this target can be achieved.

The industry points out that the second forecast growth rate for chemicals goes considerably beyond the expectations of the recent Chemicals Economic Development Council report U.K. Chemicals, 1976-80.

This report, published in March after long research, forecast an aggregate output trend rate increase for 1975-79—the period covered in the Treasury paper—of 8.1 per cent. assuming that an annual increase of exports of 11.3 per cent. could be achieved.

Equally, the association has made it clear that the projected Treasury growth rate goes beyond the capacity ability of the industry as indicated by an investment intentions survey prepared in March.

Mr. Martin Trowbridge, director-general of the association, said yesterday that the average annual growth rate of 10.8 per cent. for the chemicals sector, which was included in the second forecast for the period 1975-79, was unrealistic if read in conjunction with the stated assumptions of the Chancellor's paper.

"The figure is also quite incompatible with the detailed market-opportunity planning that has been done by the chemicals EDC and in the subsequent industry strategy review carried out by the four sub-sectors chosen for further study."

The association said that the obstacles to reaching the target were partly the substantial additional capacity which would be required over and above the already considerable investment programme foreseen by the chemicals EDC report.

Important Even more important, to justify this capacity would require an "almost instantaneous and profound increase" in the British market share of the highly competitive world chemical market, which has already seen a formidable increase in the chemicals EDC forecast.

The organisation claims that the Government's assumptions imply that chemical exports will grow at an average of more than 20 per cent., given the low growth of domestic consumer expenditure, and will double over four years.

It also points out that the faster growth rate achieved by chemicals, compared with other industries in the past, may not last because of higher feedstock costs, reduced scope for substitution, and the diminished effect on costs.

Under the proposed increases the customer using a cooker would pay between 1.5p and 3p per week more for gas.

The customer using gas for full central heating and hot water would pay between 23p and 82p a week more, depending on the size of the house and the region in which he lives.

The detailed application for increased prices was made to the Price Commission on August 5.

"Now that the National Gas Consumers' Council has agreed to the proposals as amended, the increases can take effect from the first meter reading after October 1, subject to the views of the Price Commission and the discretion vested in the Secretary of State for Energy," said the corporation.

It pointed out that its recently announced profit of £25.1m. in the last financial year was very modest in relation to turnover of some £1.6bn.

The new tariff proposals would increase the corporation's revenue from gas sales by about 12 per cent. and from service and installation work by 6 per cent.

It pointed out that the Corporation's new capital to the Continent rather than to the U.K. to work with productive non-British rather than unproductive British labour.

Private companies operating in industries that were protected in one way or another against foreign competition were not accustomed to thinking of themselves as "on the dole." Yet they were as much so as any who had to draw unemployment benefit to survive.

If there was a general understanding that industries, regions or companies which got into sudden and serious trouble would be assisted by the State, at least for a limited period "we have a form of social insurance system."

Conditions The Board recommended legislation to enable divorce courts to order that a survivor's pension automatically provided under scheme rules, should be paid, wholly or in part to a divorced or separated spouse, and, in certain circumstances, order allocation from a member's personal pension.

The report proposed legislation to supplement the equal access requirements of the Social Security Pensions Act, 1975, so that all conditions for entry to pension schemes were the same for men and women.

It recommended that state-ments sent to scheme members should contain more information about rights and options and also that member's dependents, who were beneficiaries under the scheme, should have a statutory right to information.

Equal Status of Men and Women in Occupational Pension Schemes, Cmd. 6559. HMSO, £2.50.

Freight investment change urged

By Arthur Smith

AN URGENT plea for financial reconstruction is made to-day by the State-owned National Freight Corporation. The Government has already committed up to £18m. this year to meet the corporation's cash crisis.

Coopers and Lybrand, the City accountants put in by the Treasury, and the Department of Environment to examine ways in which the profitability of the State concern could be improved, have completed their work, and a Government decision is awaited.

The Corporation, in its reply to the Government's transport policy consultation document, rejects the proposal that control of Freightliners should be handed over to British Rail.

Strategies It is clear from its comments that a big question mark still hangs over the future of National Carriers, the former British Rail sundries division, which has not made a profit since the corporation was set up.

Alternative strategies considered for Carriers range between complete closure in which redundancy costs alone would be about £65m., and investment in new and competitive services.

The Corporation says in its reply to the consultation document that the key lies in breaking down the general body of Carriers into "a series of profit motivated, smaller, dedicated, distribution activities."

It expresses doubts about bringing together the public sector parcels companies of its own National Carriers and Roadline with the Post Office and British Rail.

Such an enlarged general parcels division would only compound the problems of size. The answer was to invest in specialised services.

On the issue of financial reconstruction, the corporation has been pressing for the issue of public dividend capital so that it can ride the problems of the trade cycle.

Given the Government's reluctance to make the concession, it is urged to urge new investment allied more closely to expected financial returns.

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British Gas accepts consumer plan for graduated rises

BY RHYS DAVID

BRITISH GAS Corporation has made a concession to consumers on the proposals for higher prices it has submitted to the Price Commission.

The corporation said last night that, after representations from the National Gas Consumers' Council, it had agreed to amend its prepayment tariff proposals.

The rises now ranged from 0.9p a therm to 1.9p a therm, depending on the amount of gas used and the region in which the customer lived. Originally, British Gas had asked for a 1.9p increase across-the-board.

The corporation said that it had told the consumers' council representatives that in making an application for price rises — to apply from the first meter reading after October 1 — it did not wish to raise prices unnecessarily and would hope to

hold the tariffs now proposed for a year.

Last night's statement added: "This must depend to a large extent on the way the Government manages the economy, including future inflation trends and other external impositions such as gas tax, price directives and similar factors."

The consumers' council had accepted the corporation's proposals regarding increases in credit tariffs and service charges, it said.

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Strategies It is clear from its comments that a big question mark still hangs over the future of National Carriers, the former British Rail sundries division, which has not made a profit since the corporation was set up.

Alternative strategies considered for Carriers range between complete closure in which redundancy costs alone would be about £65m., and investment in new and competitive services.

The Corporation says in its reply to the consultation document that the key lies in breaking down the general body of Carriers into "a series of profit motivated, smaller, dedicated, distribution activities."

It expresses doubts about bringing together the public sector parcels companies of its own National Carriers and Roadline with the Post Office and British Rail.

Such an enlarged general parcels division would only compound the problems of size. The answer was to invest in specialised services.

On the issue of financial reconstruction, the corporation has been pressing for the issue of public dividend capital so that it can ride the problems of the trade cycle.

Given the Government's reluctance to make the concession, it is urged to urge new investment allied more closely to expected financial returns.

Under the proposed increases the customer using a cooker would pay between 1.5p and 3p per week more for gas.

The customer using gas for full central heating and hot water would pay between 23p and 82p a week more, depending on the size of the house and the region in which he lives.

The detailed application for increased prices was made to the Price Commission on August 5.

"Now that the National Gas Consumers' Council has agreed to the proposals as amended, the increases can take effect from the first meter reading after October 1, subject to the views of the Price Commission and the discretion vested in the Secretary of State for Energy," said the corporation.

It pointed out that its recently announced profit of £25.1m. in the last financial year was very modest in relation to turnover of some £1.6bn.

The new tariff proposals would increase the corporation's revenue from gas sales by about 12 per cent. and from service and installation work by 6 per cent.

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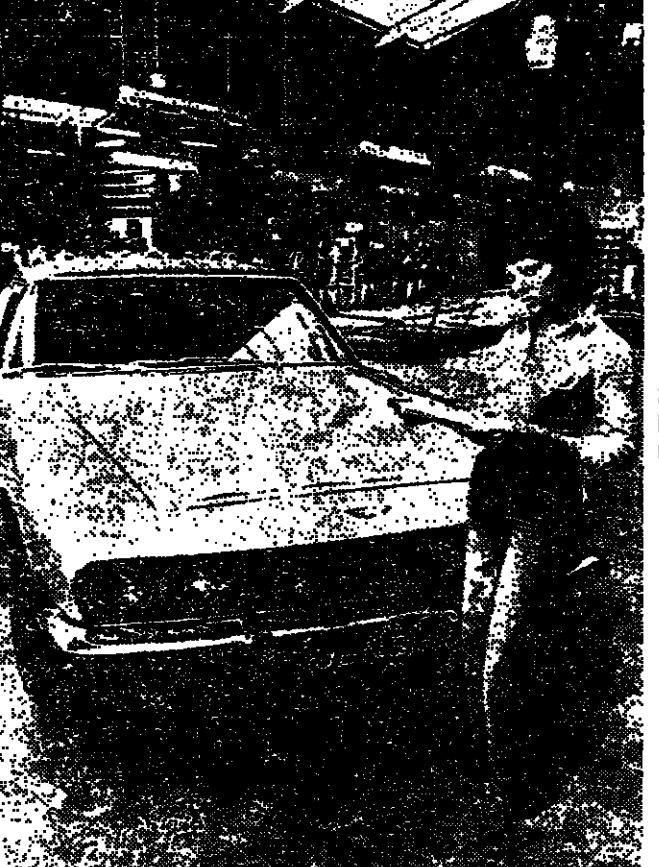
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Secretary Yvonne Barnfield checks the catalogue during the three-day auction of Jensen assets at West Bromwich.

Jensen prototype sold for £12,500

A UNIQUE Jensen car which was designed a year ago but never went into production, was sold yesterday for £12,500 at the auction of the company's assets.

The car is a 7.2 litre coupé, specially commissioned for last year's Motor Show, but never unveiled because of the cash crisis which has led to the company's closure.

At the auction in West Bromwich, Mr. Eric Powell, a Manchester businessman, bought this model and two others for a total of £32,750.

The pre-production car has red hide upholstery and luxury fittings, including air conditioning and electronically operated windows. Bidding started at £5,000. The other two production coupes went for £10,250 and £10,000.

Assistant receiver Mr. Michael Williams, who is supervising the three-day auction, said: "I am delighted at the prices fetched by all three were sold fairly well above the reserve put on them and brought rather more than we expected."

The sale, which came almost a year after the company went into receivership, is due to end to-day. It will conclude the company's continuous history of manufacturing for the motor industry since 1982.

Two facilities are expected to survive the auction—a spare and servicing operation which will assure Jensen owners of parts for the next ten years, and a special projects business to take on small-scale engineering and glass-fibre work contracts.

Jensen went into receivership 11 months ago with debts of £3.7m. to unsecured creditors. Receipts from the auction will go towards paying off the company's debenture holders, Bank of America, while shareholders are expected to get nothing.

Until the last few weeks the receiver had held out hopes of an acceptable rescue bid for the company.

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Spinning mill deal is worth £6m.

BY RHYS DAVID

STONE-PLATT, the world's biggest spinning machinery producer through its Platt Saco Lowell subsidiary, has won a £6m. contract to equip the recently announced spinning mill to be built at Atherton, Lancashire, by Carrington Viyella.

The contract involves installing about £4m. worth of modern spinning machinery, a large part of which will be built at Platt's Northern plants. Remaining expenditure will be largely on buildings, the contract for which has gone to George Dew, of Oldham.

The unit, the first new spinning mill to be built in Lancashire for 50 years, will produce high quality combed cotton-polyester sheering yarns for Carrington Viyella's range of Dorma bed coverings and for shirtings.

The facilities, which will employ about 100 people, are intended to balance considerable investment already made by Carrington Viyella in weaving. A total of £4m. has already been spent on re-equipping the company's Fold mill which produces Dorma sheets.

More orders The contract will boost orders at Platt Saco Lowell, which like other textile machinery manufacturers has been waiting for an increase now taking place in textile demand round the world to lead to more orders for new machinery.

The deal also gives Platt a major installation on its doorstep in Lancashire which could be an asset in helping it to secure further orders.

Mr. Bill Barnes, a director of Carrington Viyella and Mr. Geoffrey Buckley, chairman of Platt Saco Lowell said yesterday that the deal demonstrated their confidence in the future of the Lancashire textile industry.

It will provide employment for Lancashire people engaged in machinery manufacture, building and services as well as continuity of employment in the spinning industry, they said.

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GENERAL APPOINTMENTS

GENERAL APPOINTMENTS
ALSO APPEAR TO-DAY ON PAGES 9 & 10

TAX MANAGER EUROPE

Guildford, Surrey To £11,500

Our client explores for and produces oil world-wide, turning over £1,500 million. The company is a partner in a major find in the North Sea, with exploration activities in Europe and Africa.

The Tax Manager will be involved in P.R.T. and corporation tax problems in the U.K. and Ireland and will advise on tax matters in other European and African countries. Dividing the time equally between compliance work and creative tax planning, the Manager will advise on the local tax situation as the company expands into new territories.

Aged 27-35, applicants may be Chartered Accountants and must have at least two years' corporate tax experience, ideally with oil exploration content. Please telephone or write to David Hogg, A.C.A., quoting reference T/181.

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Burne House, 88/89 High Holborn
London WC1V 6LR
01-421 7773

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DIRECTOR SYNDICATED LOANS—SOUTH AMERICA

LONDON

£17,500 - £22,500

MERCHANT BANKING ARM — ESTABLISHED LEADERS IN THE SYNDICATED LOAN MARKET — SUBSIDIARY OF LEADING INTERNATIONAL BANK

We invite applications from candidates aged 28-36, fluent in Spanish, who have acquired at least 8 years' practical banking experience and at least 3 years in loan syndication, having successfully headed up loans in Latin America. Based in London, the successful candidate will be responsible for putting together major syndications involving the negotiation, structure and syndication of up to 15 packages a year for Governments and Government institutions throughout South America and Mexico and will lead a team of four. Up to 30% away travel will be necessary. Initial salary negotiable £17,500-£22,500 + car loan facility, contributory pension, free life insurance, subsidised mortgage plus other attractive fringe benefits; assistance with removal expenses if necessary. Applications in strict confidence, under reference DSI3723/FT, to the Managing Director.



COMMERCIAL & FINANCIAL PLANNING EXECUTIVE

WESTERN HOME COUNTIES

£8,500 - £13,000

EXPANDING AND WELL ESTABLISHED COMPUTER COMPANY — T/O CIRCA £15 MILLION

This new appointment is open to Accountants (C.A. or A.C.A.), aged 27-34, preferably who will have served part of their accountancy Professional working time with a large accountancy practice and have since acquired a minimum of two years in the analysis and investigation of companies for acquisition and product line purposes on behalf of an international organisation utilising modern planning methods. Reporting will be to the Finance Director and the successful candidate's main brief will cover the development and update of a 3 year plan, a small amount of time on consolidation, and the main activity will focus on observing competitors' products and identifying and investigating possible companies for acquisition. Up to 20% away travel in the U.S.A. and European Continent will be necessary. The ability to think commercially and communicate effectively with the heads of companies is vital. Initial salary negotiable £8,500-£13,000 + contributory pension, free life insurance, sickness insurance and assistance with removal expenses if necessary. Applications in strict confidence, under reference CPE2722/FT, to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX: 887374

International Financial Executives

City £10,000 minimum

The demands for international financial services from our client's banking operations are such that they now have to augment their executive cadre.

This is an exceptional career opportunity to join a vigorously managed, multi-disciplined group which assists multi-national corporations and governmental entities in performing their international financial functions.

Candidates are likely to be in the 28-38 age range and must have achieved a high educational standard (a good degree/MBA with possibly a professional qualification). A strong financial/analytical background is essential with the ability to handle in-depth financial and commercial analysis of major projects including feasibility studies, market investigations, capital investment programmes and undertake the requisite detailed and sophisticated research involved. The capacity to adapt to an energetic, highly competitive international business environment and to operate efficiently under pressure are pre-requisites, as the positions not only place considerable demands on the individual's execution capabilities, but also requires the ability to project a high level marketing image and the capacity to communicate and liaise effectively with the senior echelon of clients' management. A minimum of 5 years relevant international business experience is required. An international remuneration package is fully negotiable. An attractive range of company benefits including a merit bonus scheme will apply.

For a fuller job description, male or female candidates should write to A. R. D. Macdonell, John Curtis & Partners Ltd., 78 Wigmore Street, London W1H 9DQ, indicating briefly their relevance and quoting reference 501/FT.

JC&P

Managing Director (Designate)

This excellent opportunity is with Shrewsbury Tool & Die Company Limited, a member of the Hall Engineering (Holdings) Limited Group. They have a worldwide reputation for their expertise as manufacturers of dies and panel pressings for the automotive and allied industries. As part of the programme of business expansion and development a Managing Director Designate is to be appointed who will, as soon as possible, succeed the present Managing Director when he is appointed Deputy Chairman. Initial responsibilities will be particularly for sales and marketing, and the direction and co-ordination of a diversification programme into new markets. Essential qualifications will be a record of success in general management in a profitable and technically orientated business with particular emphasis on sales and marketing. Initial salary will be at a very attractive level plus car and other benefits.

Please apply, in confidence, to D. G. de Belder, Director, Knight Wegenstein Limited, 75 Mosley Street, Manchester M2 3HR or telephone 061-236 0987, quoting reference no. 60230.

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The Frizzell Group

Insurance Manager

- Dubai, United Arab Emirates
- c£7,000 tax-free

The Frizzell Group wishes to establish and run an office in Dubai with the object of obtaining business to be placed in the London and local markets and, additionally, to underwrite business locally under London market binding authorities.

The main types of insurance handled will be Fire, Accident, Liabilities, C.A.R. and Marine Cargo.

Applicants should have at least five years' knowledge of and experience in handling commercial insurance of the kinds mentioned above, and managerial experience of running a small section of up to four people. The office staff will consist of two, maybe three, Arabic Clerks.

Qualification to Associate level of the Chartered Insurance Institute is desirable.

The Insurance Manager will report to the Managing Director of Frizzell International Ltd.

Benefits offered to the successful applicant will include free accommodation, and a company car will be provided. Salary circa £7,000 per annum tax free.

Applicants should write, giving full details of their knowledge and experience, to:

Mr. T. J. C. Hodder, Group Personnel Manager,
The Frizzell Group Limited, Frizzell House,
14-22 Elder Street, London, E1 6DF

PROFESSIONAL REINSURANCE BROKER

seeks experienced people to augment its present team. Applicants must be producers, and also of sufficient calibre to be able to play a constructive part as Directors. Preferred age range 35-45 and a thorough knowledge of Lloyd's and its workings essential.

Please apply to Box A.5673, Financial Times, 10, Cannon Street, EC4P 4BY.

SALES DIRECTOR

(Printing)

for a medium sized Litho House must be fully experienced with a projected turnover of £100,000 per annum plus, this can be made up of Sheet-fed Magazines and general commercial work.

£10,000 per annum plus usual benefits.

Write in first instance to:
MD, Box A.5671, Financial Times,
10, Cannon Street, EC4P 4BY.

BRITAIN'S TOP POST

Shetland Islands Council invite applications for the post of Chief Executive. The applicant need not have local government experience but must be able to demonstrate ability to negotiate with Government and industry, advise council members, deal with the public, and lead, direct and encourage an able management team. The post is one of the most exciting in local government but it is equally demanding and the successful applicant will require a degree of commitment above that normally expected from a chief executive. However, the Council is exceptionally forward looking and the successful applicant can be assured that initiative will be encouraged.

The salary scale for the post is £12,132 to £12,936 with an island allowance of £182 per annum and placing will be according to experience. There is a contributory pension scheme and a car allowance is paid. Holiday entitlement is 27 working days plus public holidays. Assistance with housing may be given.

Applications should be by letter addressed to Mr. A. I. Tulloch, Convener, Town Hall, Lerwick, and should contain details of qualifications, experience and achievements. The closing date for applications will be Tuesday, 31st August.

A Career Opportunity in Trustee Work

Our client has an opportunity in the Debenture Section of its Trustee Department for someone with an investment background and at least one year's experience in one of the following — the Stock Exchange, a Bank, Solicitors' or Accountants' Office. Candidates, with good 'A' levels or possibly a degree, will ideally be studying for the A.C.I.S.

The post involves the administration of Debenture and Loan Stock Trust Deeds, new Stock and Bond issues, mortgage charges, analysis of company transactions and the supervision of a small staff.

Salary from £3,300, flexible working hours and other big company benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1300.

This appointment is open to men and women.

CONFIDENTIAL RECRUITMENT

A member of MSL Group International
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Schlesinger PIMS Stockbroker Liaison

We are a leading investment house which offers a range of investment services, including Unit Trust management. We now need an additional executive to assist us in liaising closely with London stockbrokers who are using our services.

The successful candidate will be in his or her twenties, and will probably have had stockbroking experience, preferably on the private client side. Taxation and technical experience would also be an asset.

The particular qualities we are seeking are an easy personality, good powers of self-expression, thoroughness and tenacity. We expect evidence of a good education.

This position offers an extremely stimulating, enjoyable and rewarding career. Salary will depend on experience.

For further information, please contact: David Glasgow, Associate Director.

Schlesingers
19 Finsbury Square, London W1

Company Secretary

Lagos c. £7,800

A major international company will shortly have this opening in its Nigerian operation which employs approximately 2800 in seventeen trading centres and has a turnover exceeding £120m.

The successful applicant will work with the present company secretary for about one year before taking over full responsibility.

Candidates, of Nigerian nationality, aged 30-40, should have over four years' in a similar position and be A.C.I.S. ideally with a law degree or call to the Nigerian Bar. They should also be conversant with Nigerian company law and associated secretarial practice and the rules governing the Lagos Stock Exchange.

Salary is negotiable and attractive fringe benefits will apply.

Write in confidence, quoting reference 1317/L to: M. D. O'Mahony,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London EC2V 8AX.

Financing Executives

London c. £7,000 plus car

Major exporter seeks specialist to formulate and review policy relating to international contract management and financing. Considerable travel overseas. Ref: 276/FT.

There is also a requirement for an executive to strengthen credit procedures and establish payment terms to a wide network of distributors. Ref: 279/FT.

Candidates, aged 28-40, will have several years' experience in export finance or leasing and a basic grounding in commercial law. Membership of the Institutes of Export or Credit Management or another numerate professional qualification would be preferred. Modern languages would also be useful.

For a fuller job description, male or female candidates should write to John Curtis & Partners Ltd., at 78 Wigmore Street, London, W1H 9DQ, indicating briefly and explicitly their relevance and quoting references 276/FT, or 279/FT, as appropriate.

JC&P

MONEY MARKET

Nesbitt Thomson is seeking a money market specialist to market its U.S. dollar C.D., Canadian domestic and related money market services in Europe and the Middle East. Candidates, aged 25-40, should have money market or foreign exchange experience, be self-starting and sales-oriented. Generous remuneration package commensurate with ability and experience.

Replies in confidence to:

J. B. Clark,
NESBITT, THOMSON LIMITED,
1 Union Court, Old Broad Street,
London EC2N 1DY.

FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS

seeks experienced brokers for both their London and overseas offices. Write Box A.5665, Financial Times, 10, Cannon Street, EC4P 4BY.

Project Finance

We require an additional member for our Project Finance Department.

The Department provides advice on the best structure and financial package for construction projects throughout the world, as a basis for procuring the necessary finance from the international capital markets. The projects are commonly in the energy, nuclear, transport and industrial fields.

The successful applicant will be in his/her mid twenties and will have had some experience in project finance or related fields, and will probably have a degree and/or professional qualification. Proven skills in numeracy/computer techniques and competence in foreign languages will be an advantage.

Please write giving brief but concise details of your experience and career to date, to:

The Assistant Staff Manager, Kleinwort, Benson Ltd,
20 Fenchurch Street, London EC3P 3DB

**KLEINWORT
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Merchant Bankers

EXECUTIVE REGIONAL MANAGER

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Area turnover at the moment is £15m. with plans to expand to £2m.

For the right person a wonderful opportunity with a leading company in the industry. The position should lead to board status quickly.

Salary not less than £5,500 per annum plus use of a company car, pension scheme and usual fringe benefits.

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Interviews either at depot or Head Office.

MEDIUM SIZED STOCKBROKERS

with no desire to merge but with confidence to expand group to interview a small group or individuals with institutional or private client business. Write Box A.5674, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

CHARTERED ENGINEER with wide education and industrial engineering experience seeks freelance employment. Write Box A.5675, Financial Times, 10, Cannon Street, EC4P 4BY, or call 01-588 8336.

PROFESSIONAL Sales Executive, (Central London), 5 years senior sales experience seeks position as A.E. with commission. Write Box A.5677, Financial Times, 10, Cannon Street, EC4P 4BY.

LEADING FIRM OF AUSTRALIAN STOCKBROKERS

REQUIRES

A. AN ASSISTANT to the resident partner of its London office. Duties will include the exclusive servicing of a number of the firm's clients and assisting in the dissemination of the firm's daily research service plus in-depth publications and monthly newsletters to existing U.K. and European clients. The firm's research department is regarded as pre-eminent in its field of research. It is envisaged that the successful candidate will be widely known in investment circles and be able to ensure that the firm's current high standing is maintained. Salary negotiable.

B. A SECRETARY who is also able to act as Telex operator too. This is a highly responsible position. Some experience in the City is desirable. Salary will be commensurate with ability and experience.

Please reply to Turner Peacock (Solicitors), 12, Bedford Row, London WC1R 4DN. Reference CJK. Tel. 01-405 7699.

ACCOUNTANCY APPOINTMENTS

International GROUP ACCOUNTANT

This appointment is unique. It offers the opportunity to join a UK based international company with an exceptional growth rate. Overseas earnings account for the major proportion of turnover and their plans for further international growth are already well advanced. Total sales are in excess of £25 million.

The position of Group Accountant takes responsibility for the international financial accounting activities of the Group, and primarily involves the preparation of the consolidated financial accounts and responsibility for Group accounting policies.

The position demands a positive and progressive approach by a highly skilled accountant able to accurately interpret financial information and effectively contribute to the commercial growth of the Group.

Candidates aged 27 to 35 and qualified (probably ACA) must have either experience within an international company with overseas operating subsidiaries or still be working within the profession with active involvement in international consolidations. A good UK and international tax background, and knowledge of Price Commission procedures would be particularly useful.

Location is central London and salary will be negotiable to start around £8,500. Re-location assistance given where necessary.

This appointment is open to men and women.

ACTION

Please write in confidence with full career history. This will be forwarded to the company's advisers who are handling this appointment. Please mark your envelope IGA/B277 and send your application to

R. Jewell,
 ASL Recruitment Advertising,
 17 Stratton Street, London, W1X 6DB.

FINANCIAL CONTROL-CITY

NEW SENIOR POST IN LEADING CITY INSTITUTION.

The organisation is substantial in the UK, has major overseas operations and is committed to expand within Europe.

At this stage of the group's development there is a need for a senior professional accountant to become established so that he or she can contribute to policy at the highest level and develop a more centralised financial information system. The new person will have a major say in the

role to be played. This should lead to a key position in a major organisation in the City.

To be considered you need to be a qualified accountant, preferably with experience both with a professional firm and with a large commercial or industrial company. Age 35-45. Salary will be in five figures and other benefits will include assistance with house purchase.

Your name will not go forward to our client until you have had a full briefing on the job and have given your consent. Please send a summary covering employment history, achievements, current remuneration and age to:

Terence R. Hart Dyke,
 Business Development
 Consultants (International) Ltd.,
 26 Dorset Street,
 London W1M 3FU.



MANAGEMENT ACCOUNTANT

SURREY - MIN. £5,000

We are looking for a mature qualified management accountant (C.A., A.C.M.A.) to head a small team of accountants who are directly responsible to the Finance Director of a fast expanding group of security printers with an annual turnover of £20 million, most exported.

The position involves no routine work and covers budgeting (long and short term), cash forecasting, development of financial models, development of the management information system, many special investigations and keeping abreast of legislation as it affects the accounting areas.

The salary is negotiable, depending on age and experience (min. £5,000 + BUPA + Pension scheme).
 Please write with brief career details or
 TELEPHONE DAVID ORANGE
 quoting ref. RBA 49 to:
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 & CO.
 245 BURLINGTON ROAD
 NEW WALDEN, SURREY
 01-947 3271

Financial Controller Designate

Our client, the National House-Building Council, limited by guarantee, is among the largest non-profit making organisations in the UK. It combines a building control function with far-ranging insurance cover for more than 1.5m dwellings, including almost all those now being built for sale. Investment funds of over £5m are held and annual turnover exceeds this amount. The Council wishes to appoint a qualified accountant who will, in about six months' time, take over the function of Financial Controller reporting to the Director General.

Essential activities of this position include: administration of the Council's accounting and insurance broking functions, efficient cost control, any necessary improvement to existing accounting systems, and the management of about 80 staff.

Candidates, men or women, must be qualified accountants, who should have previous experience of being in charge of company accounts and some knowledge of the insurance industry. An aptitude for mathematics is desirable. The preferred age range is 28-35.

Starting salary will be around £5,500 and will be reviewed on promotion to Financial Controller. The Council offers good pension and life assurance cover. The offices are opposite Amersham tube station.

Please write or telephone for an application form and job specification, quoting ref. 1188:

Anne Kneil,
 Binder Hamlyn Fry & Co.,
 76 Shoe Lane,
 London EC4A 3JB.
 Tel: 01-353 5171.



Group Financial Controller - Operations From £10,000

The Charterhouse Group Limited comprises merchant banking, development and venture capital, insurance, distribution and industrial interests.

Along with the Chief Accountant and the Treasurer, the Group Financial Controller - Operations reports to the Group Financial Director and is responsible for co-ordinating, monitoring and investigating the financial management of all subsidiary companies to achieve Group objectives. This involves both financial planning and control.

Candidates must have an accounting

qualification and an MBA is likely to prove helpful. Senior level financial management experience in a multi-company group is essential.

Starting salary negotiable upwards from £10,000 depending on experience. Appropriate pension and other benefits.

Please send brief details in the first instance to:

R. W. H. Lubbock,
 Personnel Controller,
 The Charterhouse Group Limited,
 1 Peterborough Row,
 St. Paul's, London EC4M 7DH.



Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR
 Management Recruitment Consultants
 01-283 0037
 (24 hours)

Financial Controller

to £8,500+car London

You will be a qualified Accountant, aged 30 to 35, with a successful track record and indisputable competence to handle a demanding financial and computer systems development role. Your ambition is to move forward into a medium sized, industrial Public Company where marketing philosophy is highly developed and where there is scope to impress your own ideas across the spectrum of management decisions. The practical approach will be your forte allied to strength of character and capacity to convince fellow executives that you know your job and are deserving of their respect for your commercial judgment. If the foregoing reflects your ambition and talent we have precisely such an opportunity to offer, located on the northern outer reaches of London. Applications in confidence to E. C. Smith ref 5721.

Group Financial Controller £10,000+

A U.K. public company employing nearly 6,000, covering several industries, wishes to make this appointment, arising from internal promotion.

The company's growth derives from internal expansion and acquisition and the function involves working at group and subsidiary level through the responsibility for financial planning and control.

Chartered Accountants about 35-40, with a wide financial management experience in industry, and perhaps consultancy should find this an excellent career opportunity.

Salary up to £10,000 or more, car and other benefits. Full expenses paid on moving to an attractive area in the North West. Please write with full details to Position Number PG 246, Austin Knight Limited, 35 Peter Street, Manchester, M2 5GD.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Total Financial Responsibility

c. £15,000

Our client is a highly profitable British Group with assets of over £130m. They provide sophisticated technical services and products internationally and their success is based on rapid reaction to changes in demand and technology.

An outstanding person of main board calibre is sought to be responsible to the Managing Director for the total financial role, including management accounting, treasury and planning on a truly international level.

Candidates should be professionally qualified and aged between 35 and 45. They must be able to show substantial experience in financial control, financing, cash management, foreign currency problems and capital investment evaluation. Some international background is essential.

Benefits include a company car and an excellent pension scheme. The position is based in London.

Please apply in complete confidence, quoting Ref: 496/FT, stating experience, present earnings, age and qualifications to:

CB-Linnell Limited

8 Oxford Street, Nottingham
 SELECTION CONSULTANTS
 NOTTINGHAM : LONDON

Systems Accountant/Troubleshooter

Circa £5,500

In the light of continuing expansion, Ocean Inshape Limited, require a qualified Accountant for the new post of Systems Accountant/Troubleshooter.

The Company provides services on an international basis to the offshore oil industry. The new appointment will carry wide-ranging responsibilities including assistance to self-accounting, subsidiary and associated Companies in setting up, improving and monitoring of documentation, accounting and financial control systems/procedures. Other tasks will include troubleshooting assignments overseas and internal audit exercises.

Responsible to the Group's Financial Controller, candidates should be qualified ACA or ACMA and will require the experience and strength of character to secure the co-operation of line management and Company Accountants in meeting objectives. Considerable travel will be involved both in U.K. and overseas where current operations embrace Europe, West Africa and the Middle East. The appointment offers a very interesting job opportunity and candidates should apply in writing enclosing a c.v. to:

The Head of Personnel,
 OCEAN INSHAPE LIMITED,
 19 Bavis Marks, London EC3A 7BQ.



FINANCIAL ACCOUNTANT

UP TO £5,000 PETERBOROUGH

An exciting opportunity for a qualified accountant to join a marketing oriented manufacturing company which is expanding rapidly following the successful launch of a new domestic appliance.

Reporting directly to the financial director, the person selected will be responsible for developing the financial and management information systems. The career prospects for the right person are excellent. Age 25-30, company pension scheme and generous insurance benefits.

Applications in writing giving relevant details of career, qualifications and experience should be sent to:

The Financial Director, Sodastream Ltd.
 21 Wainman Rd., Woodston, Peterborough.
 PE2 0BS

QUALIFIED ACCOUNTANT SHARE INVESTMENT PORTFOLIO

A public company based in the City requires the executive to maintain, under the direction of the Managing Director, a constant review of the portfolio. He/she should be able to analyse and evaluate both technically and commercially any investment opportunities. He/she will be able to negotiate with brokers and have a basic knowledge of the Stock Market. He/she will be aged 25-35 and if successful can expect to attain rapid advancement in both responsibility and benefits. He/she must be both dependable and able to self-motivate. Only apply if A.C.A. or A.C.C.A. or C.A.

Please reply, providing full qualifications and business experience to date, to Box A-3678, Financial Times, 10, Cannon Street, EC4A 4BY.

GENERAL APPOINTMENTS

financial journalist

Does your financial know-how deserve a wider readership?

The INVESTORS CHRONICLE is looking for an additional staff writer, man or woman, willing to exchange the joys of merchant banking, stockbroking or fund management for the somewhat different tempo of financial journalism.

Details to Andrea Whitman Smith,
 Editor, Investors Chronicle,
 30 Finsbury Square, London EC2A 1PZ.

FINANCIAL CONTROLLER CANADA

A multi national company wishes to appoint a qualified accountant to assume responsibility for the financial control, management accounting, and general budgetary information within one of its operating companies, located in Truro, Nova Scotia, Canada.

The successful applicant must be able to demonstrate sound experience in financial forecasting and budget preparation. He must be able to manage an accounting department, and enjoy working as a member of a management team.

He will report directly to the General Manager. Age range 28-40 years with a minimum of 5 years industrial experience. Salary \$C17,000 plus incentive allowances.

Interviews will be held in London early in September.

Please write Box A-5678, Financial Times, 10, Cannon Street, EC4A 4BY.

Taxation Specialist

£5565-£7315 p.a.
 plus £312 p.a. Supplementary Payment

The Electricity Council is the central co-ordinating body for the electricity supply industry in England and Wales.

Following promotion, the Financial Department of the Council has an opportunity for a specialist to join a small team dealing with taxation matters as they affect the electricity supply industry.

The Section's work, which is varied and interesting, includes advising management on a wide range of matters such as Corporation Tax, personal taxation, VAT, CTT and Development Land Tax. Regular contact with Electricity Boards, the Inland Revenue and other organisations is involved.

You must possess a qualification in tax or accountancy, be knowledgeable in UK tax law and have had practical experience in its application. The post, which is open to men or women, calls for dependability and personal initiative.

Write in confidence, giving age, career to date and present salary quoting FT/102 by 27th August 1976.

Duncan Ross,
 Recruitment & Development Officer,
 Electricity Council,
 30 Millbank, London SW1P 4RD.



GENERAL APPOINTMENTS

SALES MANAGER

The Publishing Department of the Business Enterprise Division of the Financial Times Ltd invites applications for the appointment, soon to be vacant, of Sales Manager (Year Books).

The successful applicant will probably be in his/her middle twenties and must have experience in the marketing side of publishing with a sound knowledge of direct mail marketing techniques. The Department publishes nine year books and the Sales Manager will be required to accept responsibility for marketing them world-wide.

Salary will be related to experience but is likely to appear attractive to anybody seeking a move upwards after his/her first few years in publishing.

Applications to:

Charles Croot,
Publishing Director,
Publishing Department,
Business Enterprises Division,
Financial Times Ltd.,
10, Bolt Court, London, E.C.4.

SUGAR
BROKERS

We are based in London and seek an ambitious person who is experienced in marketing white sugar within the U.K. Some overseas travel may be necessary. For details please telephone Miss Hughes 01-709 0221.

APPOINTMENTS WANTED

NEW CHALLENGE
SOUGHT

Young man, 33, already built-up own small but varied Group of Companies, now seeks greater challenge—perhaps in a larger field. Good managerial and entrepreneurial qualifications, and proven record. Could provide own existing offices and back-up facilities if required. Write Box A.5672, Financial Times, 10, Cannon Street, EC4P 4BY.

SMALL COMPANY

Bright Graduate, 28, with background in high level new consumer goods, seeks new challenge with small, progressive and growing industrial company. Any location, interested firms should write giving curriculum vitae and salary history. Box 5678, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY back-up staff wanted. Chartered Accountants. 01-836 2377.

CONTRACTS AND TENDERS

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GOVERNMENT TENDERS PUBLISHED DAILY

Arab news

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U.K. 6 months £37.50 (inc. postage)
Europe 6 months £45.00 (inc. postage)
6/7 Gough Square, Fleet Street, London, EC4
Tel: 01-353 4113
Advertisement Director: Derek O'Grady.

COMPANY NOTICES

THE AFRIKANDER LEASE LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS.

Annual General Meeting
NOTICE IS HEREBY GIVEN that the 11th-annual general meeting of members of The Afrikaner Lease Limited will be held at 44 Main Street, Johannesburg, on Thursday, 23rd September, 1976, at 10.30h for the following business:

- To receive and consider the annual financial statements of the company for the financial year ended 30th June, 1976.
- To elect directors in accordance with the provisions of the company's articles of association.
- To be the remuneration of the directors for the past year.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company.

General Meeting
Notice is hereby given that a general meeting of members of The Afrikaner Lease Limited will be held at 44 Main Street, Johannesburg, on Thursday, 23rd September, 1976, at 10.30h for the following business:

- To consider and if deemed fit to pass, with or without modification, the following resolution as a special resolution:
- To consider and if deemed fit to pass, with or without modification, the following resolution as an ordinary resolution:

The reason for proposing the above resolution is contained in the directors' report which accompanies this notice, and the effect of the resolution is explained in the notes to the accounts.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company.

A form proxy which sets out the relevant instructions for its completion, is enclosed for the use of members who wish to be represented at the meeting.

The head office and United Kingdom transfer registers and registers of members of the company will be closed from 17th to 23rd September, 1976, both days inclusive.

By Order of the Board,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
Secretaries: 44 Main Street, Johannesburg 2001.
J. E. THOMAS, Secretary.
18th August, 1976.

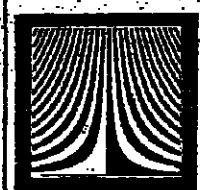
NOTICE OF MEETING
Notice is hereby given that the 11th Annual General Meeting of shareholders of the Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg, on Thursday, 23rd September, 1976, at 10.30h for the following business:

- To receive the Report of the Directors and the Auditors and the Statement of Accounts for the year ended 30th June, 1976.
- To elect directors in accordance with the provisions of the company's articles of association.
- To be the remuneration of the directors for the past year.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company.

A form proxy which sets out the relevant instructions for its completion, is enclosed for the use of members who wish to be represented at the meeting.

The head office and United Kingdom transfer registers and registers of members of the company will be closed from 17th to 23rd September, 1976, both days inclusive.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Synthetic
pulp aids
binding

POLYETHYLENE fibre material with properties lying between polyolefin fibres and natural cellulose (wood) fibres has been developed by Hoechst. Called synthetic wood pulp (SWP), the fibres are relatively short with an irregularly branched structure and a high surface area.

SWP fibres are hydrophilic, which makes the material suitable for binding applications. Applications in the building industry include uses in cements and mortars, as a pumping aid, and in spray trowelling compounds where the pulp aids crack resistance. Finished products will take nails, and the soft, flexible fibres are said to give a smooth finish after sanding.

A surface treatment applied to the fibres is said to give them a bonding capability which is better than glass, wire or other staple fibres.

The maker says the material can be used as an asbestos replacement in plaster, stucco and mortar to give improved plasticity—requiring only one-third the amount of SWP compared with asbestos. Unlike asbestos, SWP does not swell in water, resulting in less shrinkage and cracking during drying. There are five grades of SWP available with fibre lengths ranging from 0.8 to 2 mm. Details from Hoechst U.K., Salisbury Road, Hounslow, Middx. (01-570 7712).

● TRANSPORT

Oils for
commercial
vehicles

EXTENDED SERVICE use, low oil consumption, excellent high-temperature performance, improved engine performance and prevention of cylinder bore glazing and polishing, are among the claims made for a range of automotive oils which will be introduced by Burmah-Castrol Industrial at the Commercial Motor Show, Earls Court, September 24 to October 2.

To be marketed under the "Deusol RX Super" brand name, they are multi-functional engine oils stated to be suitable for all types of vehicle ranging from petrol-engined light vans to the heaviest long-distance turbo-charged diesel trucks. They are also recommended for civil engineering plant where more than one type of oil has previously been needed for normally aspirated and turbo-charged diesel engines.

The new oils are available in mono-grade SAE 10, 20, 30 and multi-grade SAE 15W/40 viscosity ratings.

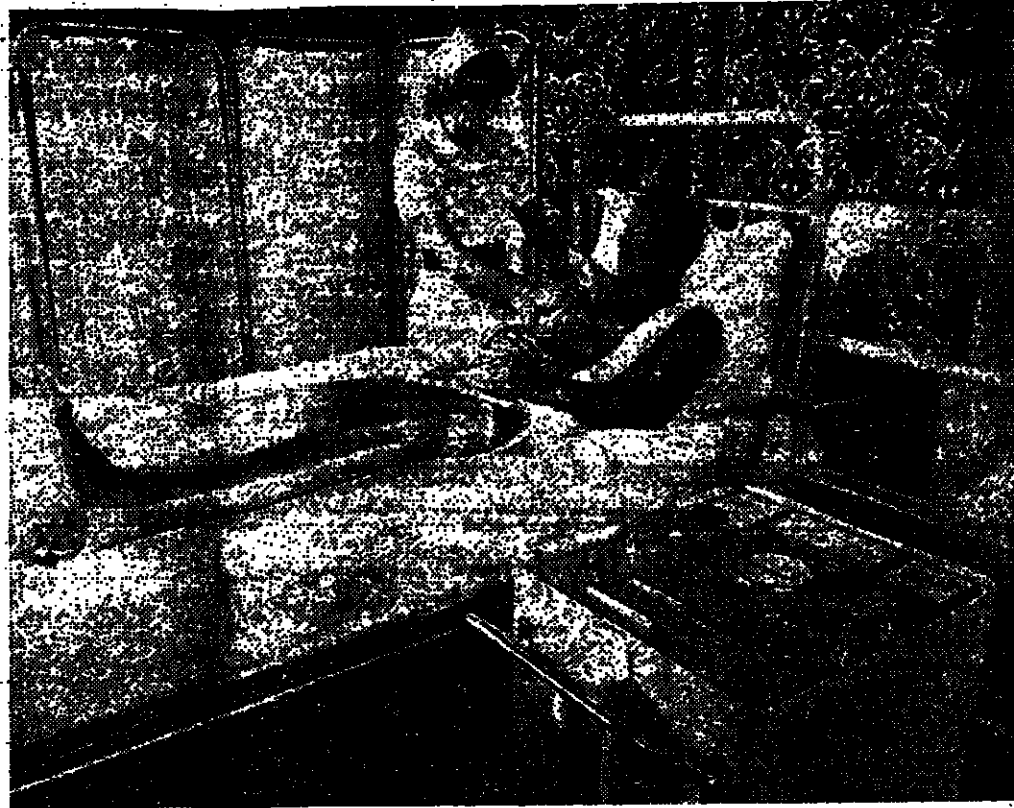
Details from the company's Swindon office on 0793 30151.

Automatic
lashing
rewind

FOR USE with flatbed trailers, an automatic rewinding lashing system has been developed by Brownline, Tamworth, Green Lane, Hounslow, Middx, TW4 6BL (01-572 0821), a U.S.-based company in the Brooks and Perkins Group.

The system comprises 45mm wide polyester webbing lashings attached to heavy duty steel reels fitted at intervals to the underside of the trailer. As the lashings are released during unloading, they retract automatically on to the reels.

To enable the lashings to follow the best path for efficient long restraint, the reels are fitted on 360 deg pivoting mountings, as an alternative a fixed mounting is available. The reel hubs



A novel technique for treating amputations, wounds and "closed" injuries where the skin remains unbroken is about to be introduced on a commercial scale. Called Controlled Environment Treatment, it involves putting the affected limb in a plastic bag in which humidity, temperature and pressure are automatically controlled.

Among major advantages are the elimination of changing of dressings, maintenance of a sterile environment, ability to see how the limb is responding, and improved control of swelling and other post-operative or injury symptoms through alternating high/low pressure cycles, which stimulates blood circulation and lymphatic return.

The Sterishield concept has been seven years under development and trials in this country and America. It is a brainchild of the Biomechanical Research and Development unit attached to Queen Mary's Hospital, Roehampton, and originated from a study of infection of wounds and control of swelling.

two vital factors in work concerned with artificial limbs.

Instead of conventional bandaging and post-operative treatment the limb is placed in the single-use sterile bag during the recuperative period, usually 7-14 days.

The full range of possibilities for Sterishield treatment has still to be assessed, but some work is in progress, for instance, where burns are concerned, as well as reconstructive plastic surgery.

The treatment bag is made by BXL (Bakelite Xylonite) and in use is connected via a flexible hose to a console containing the compressor and other equipment. Room air is drawn into the console and filtered with maximum efficiency.

Cape Engineering, The Cape, Warwick CV34 5 DL, has been exclusively licensed to manufacture and sell the equipment (including the treatment bags from BXL), by the National Research Development Corporation.

PETER CARTWRIGHT

SAFETY
Making the
data safe

DESIGNED FOR the user of small computing systems for storing the data components a small safe has been introduced by Data Efficiency, Martlet Road, Maylands Avenue, Hemel Hempstead, Herts. (0442 57151).

With internal fittings to suit requirements, the safe weighs 1.575 lbs, and measures 39 x 37 x 63 inches high. It costs £1,250.

The company claims it is fire and bomb proof, and has passed the two-hour, explosion, and drop tests of the German VDMA, and the Swiss EMPA test centres.

● LITERATURE

Engineering
information

DETAILS of over 600 research projects currently in progress in the U.K. are given in the latest edition of the Register of Research on Machine Tools and Related Production Engineering, published by the Machine Tool Industry Research Association (MITRA). It is intended not only to inform research workers and industry of current work, but also to promote transfer of technology into industry, improve liaison between industry and academic institutions and highlight areas where further research is needed. The projects described are being undertaken in some 100 British university research departments, polytechnics and industrial research organisations.

Subjects range from properties, testing and treatment of materials, manufacturing processes, design and performance of machines, metrology and inspection, to production planning and control. Contributors have been asked to indicate whether any results have direct industrial interest.

Copies are available from MITRA, Hulley Road, Macclesfield, Cheshire, SK10 3NE (0625 25421) at £5 (£2.50 to members). An annotated bibliography of the more important current references on boiler plants for domestic, commercial and industrial use has been published by the Property Services Agency of the Department of the Environment (Price £1.50 from PSA, Room C108, Block C, Whitehall).



Tecalemit
Maldenhead, Berks
Fluid Transfer, Control
and Filtration
Lubrication Systems
Garage and Industrial
Lubrication
Combustion Engineering

Centre, Croydon, CR9 01-686 5710.

It includes sections on: houses; boilers and burners; controls; water, heating and hot water systems; and maintenance, emphasis is on practical aspects such as usage and energy conservation techniques, rather than research.

● RADIO & TV

Will teach
basic radio

FOURTH in the series of 1 kit tutor kits from Feet Instruments has been announced. It is the first in the series dealing with the principles of communication. Aimed at students of all ages, the kit does not necessarily require complex expertise with attendant mathematics, less they wish to continue the appendices to the manual produced for higher students.

The 12 modules supplied with the kit include a signal amplifier, detector, modulator, filters, ring modulator, crystal unit, unit and miniature speaker. Experiments can be conducted on the amplitude modulation carrier and its detection, complete AM system, and equivalents in FM, apart from the fundamental items themselves, for example, tuned circuits. Power supply and assembly frames are not included. More from Feet Instruments, Crowborough, Sussex TN9 3QR.

By agreement between the Financial Times and the Information from The Tech Page is available for use by Corporation's External Department (Price £1.50 from PSA, Room C108, Block C, Whitehall).

Unilever results
for the second quarter of 1976 and the first half-year

COMBINED RESULTS (£ millions)

Second Quarter			Half-year		
1976	1975	Increase	1976	1975	Increase
1,896	1,697	12%	3,722	3,286	13%
857	712		1,672	1,376	
1,039	985		2,050	1,910	
150.4	82.2	83%	268.5	124.1	111%
(3.4)	(1.9)		(3.4)	(3.3)	
0.9	0.5		2.7	1.7	
(7.2)	(10.4)		(12.5)	(20.3)	
(9.0)	(8.1)		(17.2)	(15.6)	
1.8	(2.3)		4.7	(4.7)	
140.7	70.4	100%	255.3	102.2	151%
(66.2)	(38.5)		(121.1)	(56.7)	
(0.2)	0.4		(3.1)	0.6	
(11.4)	(5.8)		(16.8)	(8.4)	
(10.7)	(5.1)		(15.3)	(6.9)	
(0.7)	(0.7)		(1.5)	(1.5)	
62.9	26.5	137%	114.3	37.7	205%
4.7			8.1		
67.6	26.5	155%	123.4	37.7	227%
30.6	16.1		54.8	31.0	
37.0	10.4		68.6	6.7	
18.20p	7.27p		33.22p	10.23p	

As has been our practice the results for the quarter and the half-year and the comparative figures for 1975 have been calculated at comparable rates of exchange being based on £1 = F. 5.43 = US\$ 2.02, which were the closing rates for 1975. Profit attributable to ordinary capital for the current quarter and the half-year has also been recalculated at the rates of exchange current at the end of June 1976 being based on £1 = F. 4.86 = US\$ 1.78.

The results for the second quarter were much better than those for the second quarter of last year. For the first half year the results were well ahead of those of the very depressed corresponding period of 1975.

Volume of sales in the quarter was again substantially above that of the corresponding quarter of last year and accounted for the greater part of the 12 per cent increase in sales value.

In Europe the recovery of sales and profits of all the main product groups continued, particularly for edible fats and products for industrial uses, which were most adversely affected in 1975. The warm summer in most of Europe contributed to good ice cream results. The meat business in the United Kingdom and the Netherlands still operated at a loss. Dairy products showed an

improvement. However, profit margins in Europe have not recovered to the levels which were customary a few years ago and as a percentage of sales were still not adequate.

Profits in North America were affected by a prolonged strike in some of Lever Brothers factories: the dispute has now ended. In the other countries outside Europe total sales and profits continued to develop well, particularly in our detergent businesses. UAC International remained very successful.

The average rate of taxation was below the exceptionally high 1975 level and the greater liquidity was reflected in interest earned: as a result profit attributable to ordinary capital rose more than operating profit.

This and future announcements of Unilever Quarterly Results will be reprinted in leaflet form. If you wish to be included in the mailing list for these leaflets please write to: Information Division, Unilever House, London EC4P 4BG.

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AIM IS
GREATER
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The Guide to the BE Group

Group Head Office:
Biffaward Engineering Ltd.,
P.O. Box 2, Marlowville Road,
Aylesbury, Bucks. HP 21 5AB.
Tel. Aylesbury (0296) 5911. Telex: 83210.

Robseal SEAL ROOFS
Roof maintenance or emergency repair.
Robseal can fix it fast and guarantee it for 5 years. Established 15 years.
Robseal Ltd., Eastcourt Ave., Earley, Reading, Berks. Tel: 0734 66122.
Also in Birmingham, Manchester, Bristol, Newcastle, Bedford (Sandy).

The Marketing Scene

CORPORATE ADVERTISING

Much more to explain

JOHN JOSLING, INTERLINK

HERE WAS a time when corporate advertising was something of a "chairman's toy." Campaigns were conceived more to satisfy management than to promote a clearly defined company image. Only too often such campaigns were in fact expressions of the way individuals saw themselves, and were not necessarily related to the real objectives which lay behind company policy.

There were traditionally four activities stated for corporate advertising: impressing existing and future shareholders, at large, that the company was powerful, profitable, and increasingly profitable; impressing customers of the company within a large organisation that they were being serviced by a company which was backed by a large, powerful, and well-run group; encouraging recruitment, particularly that of university graduates; influencing the "mysterious" public, usually regarded as being politicians, nationalists, commentators etc.

Today corporate advertising has a much more important role, a far deeper objectives, and a far more critical role. It is a company's total commercial activity in balance, not exaggerating to say that it is the recent events in the world, ranging from political scandals to trading with financially unimpeachable countries, have severely affected its companies in a way that is unimaginable.

Today's corporate advertising activities are therefore significantly different. They start with a very justification of a company's existence in making profit. It has never been a particularly good word for the company at large, but in recent years the role of profit has been understood less and less. Its long term use in re-investment, and therefore maintenance of employment is not understood; indeed making profit is often seen as "making profit at all costs." This is not an extreme viewpoint, as is proved by the considerable number of companies over recent years which have spent large sums in explaining where their profit goes, and of course demonstrating the national and social role played by the profits that they do make.

But whether we are speaking of 20 years ago, or today, or of 50 years hence, the one overriding objective of a corporate exercise is to create a favourable climate for a company to work in and make a reasonable profit. In today's changed conditions, this means that in addition to the traditional aims described above one also has to:



John Josling

- explain the very role of profit.
- justify the profit the company is making.
- show that it is socially responsible both in the products it makes and in its general behaviour.
- show that it provides financial benefit for the country in which it is operating.
- demonstrate to its employees that it is conducting its affairs responsibly both without and within the company.
- demonstrate its care with the environment, both in terms of non-pollution and of non-destruction of national assets.
- prove that its workforce is cared for and is not exposed to dangerous employment.
- show that its trading success is not linked to politically unacceptable parts of the world.
- from time to time help the swing of the political pendulum in a way which will help the company.
- inform the media.

Many companies have felt that they could cope with these rather intangible objectives by means of a continuing PR exercise. Unfortunately PR can sometimes rebound in a way not intended. The value of a corporate advertising campaign is that it enables the advertiser to project a controlled message in a controlled and continuing way, timing and content influenced by the advertiser and not by a number of possibly unfriendly commentators. This is not to say that advertising is a substitute for good public relations: it can however be used as a continuing instrument, and can build up resources of public good will against a time when there might be an assault arising from unfavourable news items. It is true to say that politicians and companies with sound reputations suffer less severely in adverse conditions than those whose reputations are already suspect.

The sum involved is £100,000. Over 100,000 labels will carry the message and Press ads will keep people informed. Brand advertising budgets are not affected.

Among those who have agreed to speak at the Marketing Society annual conference—Royal Festival Hall, London, November 23—are Terry Burns, senior lecturer at the London Business School, J. Fry, chairman Unigate Foods, when Hopkins, sales and marketing director British Leyland and Ronnie Halstead, chairman Beecham Products.

● Sarah Lee, the frozen cake side of Consolidated Foods Corporation, of the U.S., which is entering the U.K. market, has appointed Rupert Chetwynd and Partners. The agency won the business in competition with Brighton and Bowles and Norman Keay Kummel and initially it will be on a fee basis.

● Taking the view that the grocery market is static Heinz has decided to pull all its brand promotional budgets together and run a major full scale advertising exercise for National Children's Home Organisation. Labels will be put in collecting boxes and

The hidden costs of short-time TV buying...

BY TONY AYERS AND GEOFF BALLINGTON

ADVERTISERS HAVE been pretty well informed of late about the increasing costs of advertising on TV: the combination of rising demand for airtime, reduced audiences, and a continuing upward movement of rate card prices has produced some dramatic readjustments in value for money.

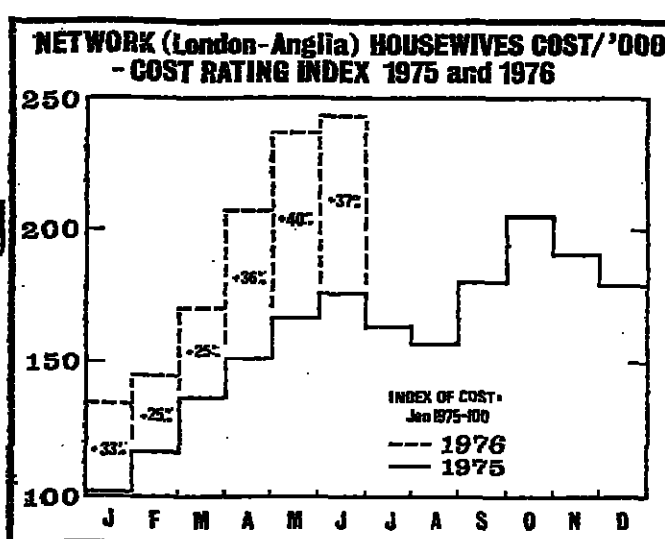
That these changes are indeed real is borne out by analysis of Media Audit's Cost Rating Index. This compiles data on the price actually paid for TV by major advertisers and thus makes it possible to evaluate the true cost increase in the TV market since over the past year, based on a £30m. annual sample.

The sort of increase (Fig. 1) in the cost of what is, for many advertisers, a basic raw material in marketing leads naturally to a re-examination of the way in which the medium is used, so as to offset higher costs against increased efficiency. One positive way in which better value may be obtained from TV budgets is by committing money as early as possible.

Approval to book, given to airline buyers at an early date, clearly helps both buyer and seller to organise efficiently.

This is hardly news, of course, but hitherto it has not been possible to quantify with any precision just how beneficial early approval in times of high demand. However, the wide range of advertising experience contained within the CRI enables us to compare the performance of a number of campaigns, for separate brands, bought by different agencies, all of which were booked at short notice during the second quarter of this year. This comparison provides dramatic evidence of the penalties of late approval, and conversely the real advantages to be gained by giving the maximum amount of time possible for buyers to construct campaign schedules.

Figure 2 highlights the extra cost of short-notice campaigns. The brands concerned, directed toward either housewife or adult audiences, have each been compared in cost-per-thousand and terms with the relevant CRI norms for the audience, station, and period concerned.



FOUR LATE-COMMITTED BRANDS COMPARED WITH THE
COST/RATING INDEX

Brand:	1	2	3	4
Station :	A 125	113	134	121
	B 112	124	—	105
	C 138	146	121	108

(Cost-per-thousand achieved by each brand indexed on the CRI cost-per-thousand norm for the audience, station, and period in question.)

THE LATER THE WORSE! THREE BRANDS COMPARED:

	Brand:	1 (6 wks.)	2 (2 wks.)	3 (1 wk.)
Station :	A	100	119	141
	B	100	107	194
	C	100	132	172
	D	100	120	110
	E	100	99	110

(Cost-per-thousand achieved by Brands 2 and 3 related to cost-per-thousand achieved by Brand 1.)

Copyright: C Media Audits Ltd. 1976.

The considerable variation in cost performance is to be expected in the circumstances—clearly buyers have little opportunity to improve schedules of this sort, and an element of pot luck is involved. Broadly, these brands lost about 20 per cent. of the value they might otherwise have obtained, with further penalties (not illustrated) in quality of airtime obtained. It must be emphasised that, while typical, these figures relate to a specific set of circumstances, and it should not be inferred that "late" campaigns would suffer as much, or as little, as did these. In the dynamic market for airtime, circumstances change continually. During the period under consideration, we have observed costs as much as doubled by late commitment on some stations. Of course, campaigns booked late in many cases for good reason, and advertisers may often have simply to grin and bear the reduced return on their expenditures. It is important, however, that the effects are quantified as far as possible—measurement being the precursor of control. It is also important that booking decisions are delayed not a day longer than is absolutely necessary, for that's not to be sneezed at.

The authors are directors of Media Audits.

... and other increases

BY PAMELA JUDGE

WHILE MEDIA Audits shows what has happened to some major advertisers' buying, The Media Department is projecting some fairly solid increases in the main cost indices.

Taking the general level of inflation between last October and this to be around 15 per cent., Media Department expects the cost per 1,000 circulation of the main Press groups to be roughly in line or only slightly above that figure. For the same period the TV cost increase is put at 41 per cent. In a study called "Media cost inflation in 1976" MD observes that over the last six years Press cost costs have risen less than the general level of inflation while TV has substantially exceeded it.

Another factor to be considered in the estimates of TV costs this autumn is "The combined effect of pressure of demand for advertising space by the contractors. In the first half of this year TV revenue was 40 per cent. higher than in the corresponding period of 1975 but ITV revenue was 40 per cent. higher. Excluding May (an abnormal month in 1975 due to the technicians' strike) the revenue increase was still 35 per cent. After discounting rate increases there is still an inflationary element of 13 per cent. in this increase due to the hardening of the market."

The report concludes by illustrating—in terms of actual advertising budgets—how much an advertiser would need to spend in order to reproduce the effect of spending £250,000 in 1970:

for TV this year it would be £735,000. TV (80 per cent.) combined with women's magazines (20 per cent.) the sum would be £580,000, in women's weekly magazines £505,000, in national newspapers £475,000 and in general interest magazines £395,000.

Grey Advertising too joins the chorus against the contractors in Media News, an occasional bulletin for its clients. The agency ascribes the drop in audience level to the failure of ITV companies to introduce any new or exciting programme ideas in the schedules, and perseverance with the "same old formula."

The report goes on to say "As their own costs have increased contractors have insisted that they have had a reasonable case to increase their rates. Certainly agencies would accept that TV

ANNUAL CHANGES IN MAIN COST INDICES 1970-1976 (as at October of each year)

1970=100	71	72	73	74	75	76 as % of 75 (projected)
Retail Price Index	109	118	130	152	191	+15
TV	113	157	181	168	208	+41
National newspapers	104	109	117	135	165	+15
Selected general interest magazines (colour)	105	101	103	116	134	+17
Selected women's interest magazines (colour)	110	112	121	135	171	+18

rates should be able to absorb a potential revenue so that the unhealthy prospect of airline rationing can be averted" but the agency believes that the cost should be dictated strictly by market demand so that the price "is not artificially constrained."

The first six months of 1976 caused a "veritable plethora" of new rate cards—an unprecedented number in such a short time. While we may be able to accept such increases, since they

have been heralded as probably the last for the next 18 months, the manner in which they have been contrived and the way they have been presented leaves a great deal to be desired. Modest increases—usually 10 per cent.—have been claimed for new rate cards. But many have excluded their previous regulator of discount rates and have also introduced pre-empt levels at a premium of up to 30 per cent. over basic rates."

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Distributing Opportunity

We are offering to suitable Companies a lucrative opportunity to act as one of our DISTRIBUTORS in the U.K. selling a unique floor cleaning machine using the principle of High Pressure Water and High Vacuum combined. (See technical Page F.T. June 8.) This machine British Made is a World First.

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- ★ Sales & Engineer training free.
- ★ Complete Territorial Integrity.
- ★ Fully protected Contract.

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TED COMPANIES

REMED BY EXPERTS FOR £72 READY MADE 280 COMPANY SEARCHES CO. REGISTRATION LTD., 21, City Road, E.C. 1. Tel: 0403 25411.

WHISKY FOR EXPORT

We have large quantities of cased Scotch for sale. Each case contains 12 x 75 cl. square white flint bottles. STANDARD—4 years old 43 degrees g.l. Orders of:— 250-1,000 cases 3.70 pounds sterling per case 1,001-5,000 3.80 pounds sterling per case 5,001 and over 3.90 pounds sterling per case DELUXE—5 years old 43 degrees g.l. Orders of:— 250-1,000 4.10 pounds sterling per case 1,001-5,000 4.00 pounds sterling per case 5,001 and over 3.90 pounds sterling per case Please apply with name of bankers to Box E.5499, Financial Times, 10, Cannon Street, EC4P 4BY.

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Interested in purchasing medium to large minority stake in quoted Investment Trust with net asset value of £400,000 to £2,500,000. Management control must be available. Advertiser will pay cash and is interested in a speedy arrangement. All replies will be answered in strictest confidence by Chairman personally but should be answered by Principals only, stating at least percentage of holding, net assets of Trust. Please reply to The Chairman, Box E.5516, Financial Times, 10, Cannon Street, EC4P 4BY.

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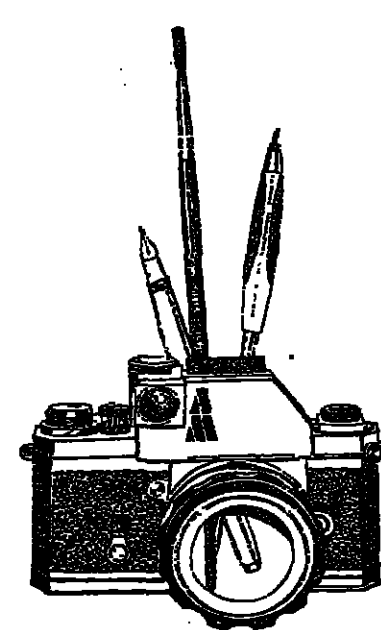
LONDON BASED director required having experience in business management consultancy and financial. Curriculum vitae to Box E.5498, Financial Times, 10, Cannon Street, EC4P 4BY.

The advertising & marketing industry

The Financial Times is planning to publish a major survey on the Advertising and Marketing Industry on Tuesday, 21st September 1976. This survey will be taking the opportunity to examine the many different facets of the whole field of Advertising and Marketing within one comprehensive survey.

The proposed survey, which will be edited by Antony Thorncroft, our Marketing Editor, will include specific coverage of the following sections:

- General Review
- Press
- Overseas Media
- Commercial Television
- Commercial Radio
- Outdoor Publicity
- Cinema
- Incentive Marketing
- Direct Mail
- Advertising Agencies
- Public Relations
- Industrial Marketing
- Market Research
- Design
- Advertising Controls
- Other Marketing Services



A leaflet containing more details on these sections is available for all those who may be interested in this important survey. If you would like to receive this leaflet or know details of advertising costs or merchandising facilities available, please contact Suzanne Ralph by letter or telephone (01-248 8000 extension 201) or contact your Financial Times representative.

Remember - Tuesday, 21st September 1976
A DATE NOT TO FORGET

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THURSDAY, AUGUST 19, 1978

No rush to equality

NOW that the principle of equal pay for women is enshrined in law, it would seem at first sight reasonable to move on towards equal rights for women in related fields—namely equal pension rights. The Social Security Pensions Act of last year does, in fact, require those employers who operate occupational pension schemes to offer women, in two years' time, the same right of access to their schemes as men. For a variety of reasons however, this is likely in practice to mean something considerably less than full equality of pension rights between men and women. The Occupational Pensions Board, set up to supervise the occupational pension schemes which are contracted out of the State scheme, was therefore asked by Mrs. Barbara Castle at the beginning of last year to consider what steps were necessary, by way of legislation or otherwise, to implement the principle of equality of status for men and women in pension schemes.

The Board has wisely chosen to begin its report with a preface in which it points out, among other things, that it was not asked to consider whether equality of status was desirable; that simple, sweeping changes in the law to do away with differences in the treatment of men and women were not practical; that the real bar to immediate progress in the desired direction is the pattern of the State scheme; and that recommendations about good practice may be more useful in the immediate future than detailed legislation.

State scheme

The main obstacle in the way of progress towards the goal set before the Board is the fact that most occupational schemes are modelled in certain vital respects on the State scheme, in which women qualify for pension at 60, despite their greater life expectancy, and men at 65. Both men and women may, in certain circumstances, feel unhappy about this discrepancy, and the reasons for its existence are either obsolete or coming to be felt as such. But the Government has made it plain both

that the cost of providing a State pension for men at 60 would be too high and that raising the pension age for women to 65 would be widely regarded as unfair. The discrepancies inherent in the State scheme are not likely to be removed, and the Board feels unable to recommend the statutory removal of these discrepancies in the case of occupational schemes.

Its legislative proposals, indeed, are important from the point of view of principle but will have only a limited practical effect if they are adopted by the Government. The most interesting of these proposals, moreover, is that the Courts should have power to order that part or the whole of an accruing pension should be paid to a divorced or separated spouse—may run into difficulty. The others—to strengthen the right of equal access, to provide more information to members' dependants as well as to members, and to allow for more generous pension cover during maternity leave—seem generally desirable.

Flexibility

Given its general approach, however, the Board's most important recommendations take the form of suggestions about good practice which should be adopted by schemes which lack these features as circumstances and resources permit. Although none of these recommendations is particularly radical, the voluntary approach is obviously the right one. Not only does it allow for flexibility: it allows employers to proceed at their own pace when changes in pension requirements are already providing them with a great deal of work and the pace of inflation is undermining the basis of many existing schemes. And there is a further point to be borne in mind. It may or may not be true that employers will tend gradually to employ fewer women as the total relative cost of employing them goes up. It is undoubtedly true, whether or not desirable, that many women at work prefer pay now to deferred pay in the form of pension rights.

Investment budget in Australia

THE SYDNEY stock exchange yesterday reached a new 1978 high following Tuesday's budget statement by the Treasurer, Mr. Phillip Lynch. The reaction was not surprising even in a market which has outperformed the rest of the world for most of this year. The budget was investment-oriented and confirmed that Mr. Fraser's Government seems set on its course of presiding over a cautious economic recovery even at the expense of a further increase in unemployment—a marked difference from the policy pursued by Mr. Whitlam.

Deductible

The broad target is to reduce the rate of inflation to around 10 per cent by June next year after about 14 per cent in the past twelve months and to secure a four per cent growth in real GDP after a recent growth rate of only one per cent. Coupled with an unemployment rate which currently stands at 5.2 per cent, and is expected to go on rising, these figures show how serious the economic situation has been, at least by Australian standards. They also suggest that the recovery and a return to more stable prices will have a long way to go, though it is notable that the government appears to have left itself scope for further tax cuts later if the target begins to recede.

The approach chosen is to try to control government expenditure and to stimulate investment in the private sector. Some changes in this direction had already been announced: for example, the decision to relax the rules relating to foreign investment in new mineral projects. This week's budget, however, goes further and in the way of incentives to the investment community is a good deal more specific. In line with the aim of increasing export earnings there are to be new tax reliefs on stock appreciation. There are also some striking changes in the mining tax laws which are clearly designed to encourage new exploration.

Alternative

It is too early to tell how far the new policies will succeed. A 10 per cent rate of inflation, even if it is achieved on target, is still high. So are the predictions for unemployment, and even a 4 per cent real growth rate is modest for a country of Australia's resources. Clearly a great deal will depend on what happens on the labour front and in wage negotiations. Yet what is clear beyond doubt is that in voting out Mr. Whitlam and voting in Mr. Fraser Australia got a genuine alternative—in foreign, defence and economic policy.

Whitehall's highfliers could be groomed—French style

By PETER HENNESSY

ONE TIME-HONOURED reformers' chestnut with much to recommend it is the need for the British Civil Service to become more like its French neighbour and acquire a ruthless professionalism and efficiency in line with requirements of the modern state, although it should be said at the outset that Whitehall officials, gifted though they are, are not as amateur as some of them like to pretend, or as the Fulton Committee so confidently asserted in 1968.

Glances across the Channel inevitably concentrate on the French college which turns out 150 "super" civil servants a year. L'Ecole Nationale d'Administration (ENA). Set up in Paris in 1945 by the Provisional Government of General de Gaulle, it is said to have been the dynamo behind France's recovery and its economic miracle of the 1950s and 1960s.

Civil Service training is once more under review in the U.K., and a path is being beaten to ENA's door in the Rue des Saints-Pères, a narrow back street not far from the Quai d'Orsay. Mr. Charles Morris, Minister of State at the Civil Service Department, accompanied by Sir Douglas Allen, Head of the Home Civil Service, paid the school a visit at Whitson. The general sub-committee of the Commons Select Committee on Expenditure, currently investigating Whitehall, will be there in October. Professor Ralf Dahrendorf, Director of the London School of Economics is keen on incorporating a British ENA within his proposed "British Brookings," a London-based institute to examine the roots of the country's economic and social plight. The Labour Party's working party on the machinery of government is about to come up with a proposal for a public sector college with some similarities to ENA.

Impressed Fulton

But twice in the past eight years, the ENA experience has been judged inapplicable to U.K. needs. The Fulton Committee went and was impressed, but concluded that a British imitation would only enhance the elitism it was seeking to diminish. Three years ago, Mr. Ivor Roberts, then a First Secretary in the Paris embassy, produced a report for HMGC which stated that the political alignments of the French Civil Service made it its British counterpart: that few of its features could be successfully imported—though he recommended that British civil servants should be made aware of its formidable achievements to make them better able to

handle their French opposite numbers in the EEC.

What is it about ENA that, in spite of such reservations, it persistently arouses curiosity, admiration and a touch of envy in British public servants and politicians, among whom Mr. Edward Heath has been the most outspoken in his appreciation of its features? The ENA legend is a powerful one. The image of a France held together and prepared for eventual recovery during the darkest years of the Fourth Republic by a superbly efficient and innovative Civil Service has its attractions for Britain in the 1970s—although

amateur" all-rounder, the pride of the old administrative class and their often highly unorthodox and almost conspiratorial methods, particularly within the Ministry of Finance, that ENA owes its undesired reputation.

By all accounts, present day ENA is a very different breed from those self-confident, buccannery-like so many scions of the European upper middle class, they have become of late gifted amateurs. ENA's reputation was expected to be proficient, in the subjects they touched, up to first degree standard, an own cleverness, the top 15 or so graduates from the school of ENA were deliberately excluded from the top 15 places of the annual ENA class list to



ENA flanked by two of its alumni: Jacques Chirac, the French Prime Minister, and Michel Debré, ENA's founder and Prime Minister 1959-62.



at its worst our political stability of 1973-74 bore no comparison to that of successive French Governments before 1958.

The 1950s are now established as the vintage years of the French Civil Service, the period when it acquired the reputation of being the finest in Europe. The image of the ENA, as a public service polymath, or learned jack-of-all-trades—able to turn his hand to any task from running a State bank or a nationalised industry, reviving a depressed area as Prefect of a Département, to serving abroad in an embassy or working at the very heart of government in the cabinet of the President or Prime Minister—became firmly entrenched. The secret of this prowess, it is said, was the rigorous training in economics, statistics and administrative law to be had at ENA.

A far cry from our own Oxbridge classicists and historians in equivalent positions in Whitehall, as the reformers never tire of pointing out. But, ironically, M. Michel Debré, founder of the school, wanted ENA to reproduce a French equivalent of the "gifted

Irregular vintage

Like all legends, ENA's has its share of myth. Although the ENA now number 2,500 and the roll-call of Giscard, Chirac, Ortol and others indicates just how far they have penetrated the political as well as administrative life in France, they had very little to do with the triumphs of the 1950s, being both too few and too young at the time. The glory of those years belongs to a highly irregular vintage of officials, products of the Resistance who were projected very young straight into top government posts in 1944 to replace the tainted Vichyists dominating the Grand Corps of the French Civil Service up to the Liberation. It is thanks to these men—virtually untrained, owing their appointment to naked

goosepimples on the back of a British Permanent Secretary's neck and that is the degree to which ENA and the higher Civil Service in France have become politicised. The distinction between politician and civil servant has become blurred to the point of disappearance, and one reason for this is that so many on both sides of the divide have passed through ENA. A prominent Socialist politician, M. Claude Estier could not have been wider of the mark when he claimed earlier this year that Leftists were deliberately excluded from the top 15 places of the annual ENA class list to

mend it. Some Ministers believe that the omnipresent bogey "elitism," which has bedeviled the British Civil Service years—and is one reason the Fulton Report turned to be such a farious document—can and should be exorcised. Instead of sending the "elitist" to become "mini-bos" these ministers would put instead in the front line Supplementary Benefits Office an Employment Office to their heads broken with best of the executive clerical officers behind embattled counters.

There are already plans for Whitehall, admittedly at a tentative stage, for an administrative staff college to complement the work of the Civil Service College, which gives young administrators training in their early grounding in economics, statistics. The new college intended for civil servants their late 30s—at least secretary level—who already demonstrated promise in a series of deming posts.

The course would last a year, and involve intensive preparation in management other skills necessary for in the senior policy and management group at Under Secretary level and above. The test would be done, in the main those already filling such. Passing through the college would be seen as a prerequisite for advancement to the "Hammer" as it is known. Whitehall jargon. Departing would nominate their people for the course, selection would depend on performance in a qualification examination. Officials would nominate themselves and whose earlier career had put them at a disadvantage would be eligible for a leave to prepare for examination, as happens to service candidates for E. Unlike the present course the Civil Service College, formance would be assessed count towards future promotion.

Lack of money

Together with a more reg system of movement between the public and private sector and Whitehall, such a college could go a long way towards achieving the benefits of French system for British out falling into some of ENA-inspired pitfalls. The hindrance at the moment is of money, which explains the project is little more than a gleam in the eyes of a few of Permanent Secretaries, whatever the current restrictions on public expenditure, fund stage, for a two-month period such a venture would be well spent.

MEN AND MATTERS

Still out of the swim

In these days of drought and dramatic warnings of worse to come, just cast your mind back to the grim post-war year of 1948. That was the year that Britain staged the Olympic Games, and those with long memories may recall that the Empire Pool at Wembley (so called because it was built for the 1934 Empire Games) had developed a non-disastrous leak during the Olympics. Gardeners watching their plants fading away now may doubt the thought that a reputed 60,000 gallons of water were pumped into the pool each day in order that the swimming events could continue.

After the games it was decided that repairing the pool would be too expensive so that a "temporary" floor was installed. Since then the "Empire Pool" has been renowned for horse jumping and, of course, ice shows.

Now, briefly, the actual pool itself will be on view again, though not with water in it. The "temporary" floor is to be replaced by a permanent one, and yet again water is to blame. After each ice show the ice was allowed to melt, and the water has seeped through into the timber and metal support structure causing rot and corrosion to set in. Therefore, at a cost of £200,000 a new floor and ice-making (and breaking) system is to be installed. Deadline for completion of this exercise is October 4, which marks the start of the Horse of the Year show. From then the Empire Pool will resume its role of multi-purpose sports complex covering most sports—except, of course, swimming.



Harbutt excitement

"Plasticine" is one of those words (like Thermos and Hoover) which tend to be used generically, although they are actually the trademarked names of a particular company. Plasticine is the registered "property" of the private-owned Harbutt's group, now being taken over by toy maker Berwick Timpco.

Although the name is restricted, the production process no longer is, and rivals generally call their offerings "modeling clay." The original stuff was invented in the 1890s by William Harbutt, an art master at Downside College.

As his grandson and the company's present chairman, Jim Applegate, points out, William Harbutt not only gave the world one of the essential commodities for keeping children amused—he also used "plastic" long before the term entered

the language and our lives on a grand scale.

Over the years, the Harbutt company, based near Bath, has expanded into "carnival novel" (masks, funny hats and so on), wax crayons, chalk, and box games. The old Plasticine also has important modelling uses in industry.

The company has remained relatively small, annual turnover at present being some £1.7m., and trading has been sticky (sorry) lately. The Plasticine side has been consistently profitable, though earnings last year were over 50 per cent down at £108,391. Difficulties elsewhere, notably the need to reprint packaging in two languages for the Canadian market, left the company £30,546 in the red overall.

Applegate spent most his working life in the paper and packaging industry before joining the family business in 1965. What is needed now, he says, is access to new sources of finance. He is staying on, and means it when he calls the name Plasticine "invaluable." Berwick Timpco is enthusiastic too, talking of being able to add an "exciting product" to its range.

The Non-Aligned not in line

There are great goings on in Colombo, Sri Lanka, at the moment in respect of the fifth "Non-Aligned Summit" which opened there this week. The non-aligned movement boasts a membership of 86 at the last count, and according to Press release No. 14 from the conference secretariat, 43 heads of government had arrived. That smacks more of a by-election than a general election turn-out, but a careful check of the list suggests that even the official figures are a little optimistic. At least five of those

supposedly present when the release was issued had not, in fact, turned up. For example, the Palestine Liberation Organisation leader, Yasser Arafat, is apparently still in the Lebanon.

For many of the 86 members domestic problems are a sound assumption for their non-appearance. Amin of Uganda (though his absence undoubtedly removes a considerable security headache for the organisers), and President Nimir of Sudan falls into the same category. Others have stayed away probably because they do not feel that they should give the gathering their full seal of approval. That group would include Singapore's Lee Kuan Yew, King Hassan of Morocco, and King Hussein of Jordan.

The most curious absentee, however, is Dr. Fidel Castro of Cuba. Cuba is meant to be the next host to the Non-Aligned Summit—and there is even a group of Cubans present studying the way in which Sri Lanka has gone about the organisation of the present summit. Speculation ranges from the possibility that he is held back by domestic problems to the idea that he may be feeling a bit peeved about something.

The high rate of absenteeism is one way, also, of highlighting the extremes which are represented within the Non-Aligned movement. It has been suggested, perhaps unkindly, that its motto should be "Diversity within Unity."

Shkol!

"As in previous years," reports a Hampshire golf club bulletin, "the evening concluded with a toast to the new president in champagne provided by the retiring president, drunk as usual at midnight."

The FAMOUS GROUSE SCOTCH WHISKY

Quality in an age of change

Your first sip of Famous Grouse whisky will tell you why it costs a little more than its rivals. We scarcely need to spell out the ancient pedigree of this mellow, balanced blend—for here is bottled history. Enough to say that Famous Grouse whisky is the cumulative creation of one distinguished family who have been blending fine whiskies since 1800. So call it taste, discernment, what you will, this is the whisky for you.



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Observer

Reckitt & Colman 54% ahead at halftime

SALES up from £175.4m. to £226.7m. for the year to July 3, 1976, including £12.3m. arising from exchange differences on net overseas sales. The interim dividend is 14.1p to 22.5p per 50p share. The net profit is £3,795,000. Last year's dividend was £3,870,000. Pre-tax profit £35,420,000.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends are expected or not. The dates shown below are based mainly on last year's practice.

Company	Date
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
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Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2
Anglo-International Investment	Sept. 2

Tax for the six months takes £35,000 against £77,000 leaving the net balance up from £82,855 to £82,855.

Melody Mills doubled

PRE-TAX profits almost doubled at £758,288 on turnover ahead from £4.3m. to £6.28m. is reported by Melody Mills for the year to March 31, 1976.

At halfway when announcing an advance from £119,000 to £273,000 the directors said that indications were that profits for the second half would maintain at least the same rate as for the first half.

First Scot American

Net revenue of The First Scottish American Trust amounted to £375,886 against £395,204, for the half year to August 2, 1976 after all charges including tax of £217,265 compared with £240,417.

Unilever up to £255m. so far

SECOND quarter combined pre-tax profit of Unilever Ltd. and Unilever NV doubled to £140.7m., giving a first half 1976 figure of £255.3m., an increase of 150 per cent. on the very depressed first half of 1975.

At the attributable level the second quarter profit rose 153 per cent. to £67.6m. giving a midway total up by 227 per cent. to £123.4m., including £68.6m. (£67.7m.) from NV. Sales were up from £8.29bn. to £3.72bn.

The attributable profit for the 1976 half year included £9.1m., arising on recalculation of 1975 results at end-June 1976 exchange rates.

Volume sales in the second quarter were again "substantially" above the corresponding previous quarter and accounted for the greater part of the 12 per cent. increase in sales value to £1,590m.

For the first half, stated earnings per 25p share were 33.22p (10.23p).

In 1975 pre-tax profit was a record £340.3m. and dividends totalled 13.67p net.

In Europe the recovery of sales and profits of all the main product groups continued, particularly for edible fats and products for industrial uses, which were most adversely affected in 1975.

The warm summer in most of Europe contributed to good ice cream results. The rest business in the U.K. and the Netherlands still operated at a loss. Dairy products showed an improvement.

However, profit margins in Europe have not recovered to the levels which were customary a few years ago and as a percentage of sales were still not adequate, they add.

Profits in North America were affected by a prolonged strike in some of Lever Brothers factories: the dispute has now ended. In the other countries outside Europe total sales and profits continued to develop well, particularly in the detergent businesses. UAC International remained very successful.

The average rate of taxation was below the exceptionally high 1975 level and the greater liquidity was reflected in interest earned: as a result profit attributable to ordinary capital rose more than operating profit.

See Lex
PHILIP HILL
Philip Hill Investment Trust has purchased for cancellation a

Ault & Wiborg recovery

ON A TURNOVER down from £13.06m. to £11.34m., first half 1976 pre-tax profit of Ault and Wiborg Group recovered from £513,000 to £932,000, and is in excess of the depressed £926,000 for the year 1975.

Because the directors consider that it is in the best long-term interest that a greater proportion of earnings be retained for investment in the business than has been the recent practice, the interim dividend is reduced from 1.1025p to 0.6p net per 25p share. Last year's total was cut from 2.1725p to 1.025p.

The company manufactures printing inks, printers' rollers, paints and coatings.

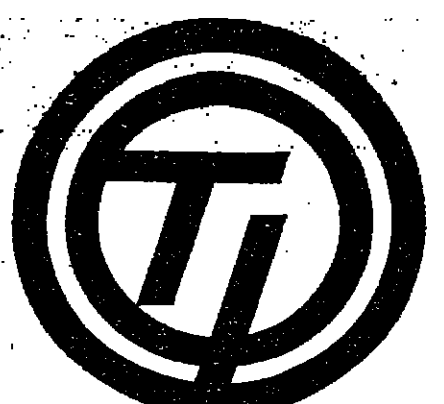
Heavier first-half loss by Dreamland

A much increased trading loss of £194,500, compared with £1,200 is announced by Dreamland Electrical Appliances for the first half of 1976 but the directors say that the results do not reflect the likely final outcome. In April they said that profits should be maintained in 1976.

The interim dividend is 0.75p (0.7p) net, absorbing £40,219 (£37,337) and it is stated that the year's result will justify payment of the maximum permitted 2.275p.

The previous year's dividend total was £2,068p from profits of £515,000. In line with the experience of other domestic electrical appliance manufacturers, the company has found that the trade generally is becoming increasingly reluctant to invest in stocks out of season.

Purchases by the public are showing an encouraging increase and the directors are confident that the year will keep pace with this trend.



TUBE INVESTMENTS LIMITED

Interim Statement

covering the six months to 30th June 1976

Results and Dividend

At their meeting today the Directors of Tube Investments Limited considered the results of the Group for the six months ended 30th June 1976 which showed earnings for the period after taxation attributable to Tube Investments Limited amounting to £8,866,000 (19.5p per £1 Ordinary Stock). The Directors decided to declare an Interim Dividend on the Ordinary Stock for the year ending 31st December 1976 of 8.8p per £1 Ordinary Stock (1975 8p). Dividend warrants will be posted on 16th October 1976 to members on the register on 20th September 1976.

Comments and Prospects

Group profits have held up better than was indicated earlier in the year. The Steel Tube Division has maintained its momentum, offsetting a lower demand for capital goods with some revival in demand from the motor industry and continuing high exports.

Poor trading results in Domestic Appliance Division stemmed from the depressed state of home demand. A return to former volume is not to be expected in the near future when there is a fall in the real purchasing power of consumers in prospect.

Cycle Division has been able to mitigate the effects of the reduced demand in the USA bicycle market with higher sales in some other overseas territories. There has been an upturn in export orders for machine tools, but too late to protect Machine Division's results for the period under review from the effects of the low order intake during the latter half of 1975.

Demand for aluminium products has recovered sharply from the low level of mid-1975 and this, combined with improved prices, has brought about a significant improvement in the performance of British Aluminium.

The expectation is that continuing strength in overseas markets followed by some improvement in investment demand should enable the Group to maintain profits at about recent levels, until a wider recovery of the United Kingdom economy takes place.

Consolidated Profit and Loss Account

The unaudited figures for the six months to 30th June 1976 with corresponding figures for 1975 and audited figures for the twelve months ended 31st December 1975 are set out below:

	Six months to 30th June 1976 £000	Six months to 30th June 1975 £000	12 months to 31st December 1975 £000
External Sales	£338,509	£291,782	£618,768
Trading Profit of the Group before depreciation (note 1)	26,307	28,922	62,145
Profit on sales of properties	9	265	572
	26,316	29,187	62,717
Depreciation of fixed assets	6,347	5,831	11,813
Trading Profit	19,969	23,356	50,904
Proportion of profits of B.A. Group	2,955	322	773
Proportion of profits of associated companies	1,458	2,526	4,384
	24,382	26,204	56,061
Interest on overdrafts and other short term borrowings, net	2,311	3,508	6,529
Profit before Loan Interest Payable	22,071	22,696	49,532
Loan interest payable	3,552	3,470	7,195
Profit before Taxation	18,519	19,228	42,337
Taxation (note 2)	8,896	10,039	21,793
	9,621	9,187	20,544
Proportion of profit after taxation attributable to minority shareholders	755	722	1,408
Earnings for the period	8,866	8,465	19,136
Extraordinary items - net	(281)	11	716
Profit after extraordinary items	£8,585	£8,476	£19,852
Cost of Dividends	£4,012	£3,643	£7,766
Earnings per £1 Ordinary Stock	19.5p	20.6p	44.2p

The Divisional Analysis of Results is as follows:

Division	External Sales			Profit before Loan Interest Payable		
	Six months to 30th June 1976 £000	Six months to 30th June 1975 £000	12 months to 31st Dec 1975 £000	Six months to 30th June 1976 £000	Six months to 30th June 1975 £000	12 months to 31st Dec 1975 £000
Steel Tube	113,829	103,741	204,697	11,937	13,297	25,129
Cycle	46,694	37,393	85,901	1,700	1,538	3,957
Consumer Finance	1,736	1,408	3,130	789	548	1,211
Domestic Appliance	51,219	48,176	103,255	(798)	1,301	3,602
Engineering	28,873	25,270	51,882	1,281	1,428	2,901
Machine	18,727	21,814	44,533	(553)	938	2,538
Industrial Electrical	7,550	7,854	14,906	174	419	547
Allen West & Simplex-GE	14,151	10,212	22,467	732	1,055	1,899
Overseas	55,730	37,914	87,996	4,122	1,908	6,689
Parent Company and other companies	-	-	-	(288)	(56)	286
	£338,509	£291,782	£618,768	19,116	22,374	48,759

B.A. Group: Proportion of profit before tax applicable to Tube Investments

	2,955	322	773
	£22,071	£22,696	£49,532

Notes

- Stock Valuation**
In accordance with S.S.A.P. No. 9 the basis of the U.K. stock valuation has been adjusted with effect from 1st January 1976. The effect of this change on T.I.'s accounts has been to increase the trading profit for the six months to 30th June 1976 by approximately £1m. and both opening stocks and reserves by approximately £6m.
- Taxation**
The burden of taxation this year has been reduced by the utilisation against current profits of losses brought forward mainly in overseas subsidiaries. U.K. Corporation Tax has been provided at an effective rate of 52%.
- Exchange Rates**
As a result of the continued depreciation in the value of the pound during the six months to 30th June 1976 T.I. incurred a potential additional liability on its Swiss and other currency loans amounting to approximately £3m. However, the sterling value of T.I.'s overseas investments appreciated by approximately £8m. The figures will be included in the accounts for the full year on the basis of the rates actually ruling at 31st December 1976.
- Changes in the Group**
There were no significant acquisitions or disposals during the six months to 30th June 1976.

"We view the future with considerable confidence"

Inchcape profit and turnover up; extremely creditable results in severe conditions.

In the Chairman's Statement Shareholders of Inchcape & Co. Limited the year ended March 31st, 1976:

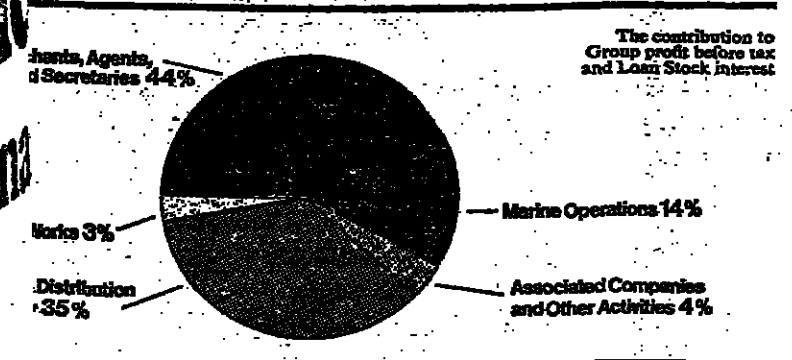
Despite the difficult economic and inflationary conditions, I am pleased to report that profit before taxation rose from £28 million to £37 million, including £7m from The Anglo-Thai Group acquired during the

After deduction of taxation, the profit available to ordinary shareholders, before extraordinary items, was £15.1m (1975, £11.1m) giving earnings per ordinary share of 33.8 pence compared with 32.9 pence last year. Comparing the earnings per share, I would point out that the additional provision for deferred taxation arising from a

Features of year's results

	1976 £000	1975 £000
Profit before Taxation	37,001	28,096
Profitable to Ordinary Shareholders before Extraordinary Items	15,126	11,466
Earnings per Ordinary Share	33.8 pence	32.9 pence
Earnings per Ordinary Share (with tax credit)	11.56 pence	10.509 pence
Profitable to Ordinary Shareholders as percentage of Ordinary Shareholders' Capital Employed	13.2%	14.6%

Activity

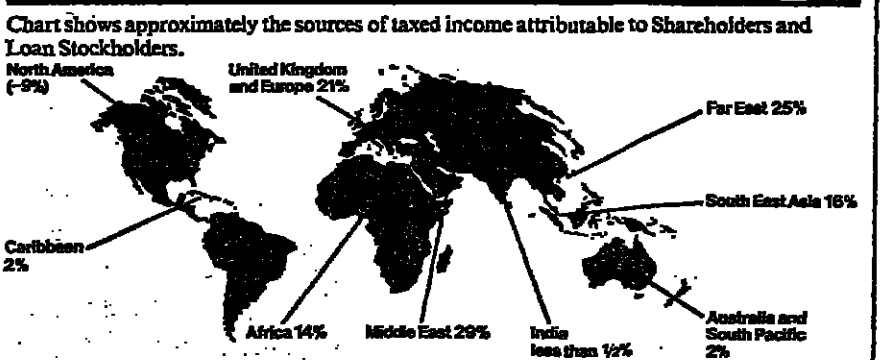


change of accounting policy has reduced the figure for the year under review by 4 pence. In view of this and the severe conditions affecting trading for the year the results are extremely creditable.

Although the overall picture remains somewhat patchy, nevertheless, led by the United States, recovery is clearly in evidence in most parts of the world, particularly in Hong Kong and to a lesser extent in Japan and South East Asia, from which a large proportion of our profits emanates.

This, taken with the increasing prosperity, diversification and expansion of the Group's activities in the Middle East, and the welcome contributions from other areas in which we operate, including the United Kingdom, enable me once more to say that, even though rapidly changing economic and political conditions make accurate forecasting difficult, we view the future with considerable confidence."

Where income was earned



Profit record over last five years - £000's

Year	Group profit before taxation
1972	14,923
1973	30,103
1974	28,096
1975	37,001
1976	37,001

Inchcape & Co. Limited



REPORT TO INVESTORS from a company called TRW

TRW sets Second Quarter and Six Months' record.

TRW Inc., a major international supplier of high technology products and services, reports record second quarter sales, earnings, and earnings per share.

Second quarter sales were \$743.8 million, an 11% increase over 1975 second quarter sales of \$667.1 million.

Earnings after taxes and earnings per share rose 31% and 34% respectively, reaching \$37.8 million, or \$1.18 per primary share compared with restated net earnings of \$28.9 million or \$0.88 per primary share a year ago.

1976 first half results also set records. Sales reached \$1,466.3 million, compared with \$1,275.9 million for the first half of 1975. Earnings after taxes reached \$64.3 million, or \$1.95 per share, a highly favorable comparison with restated net earnings of \$43.5 million, or \$1.25 per share for the first half of 1975.

TRW STATISTICAL SUMMARY

(Dollar amounts in millions except per share data)

SECOND QUARTER	1976	1975 (Restated)
Sales	\$ 743.8	\$ 667.1
Pre-Tax Profit	72.9	52.0
Net Earnings	37.8	28.9
Earnings Per Share		
Primary	1.18	.88
Fully Diluted	1.03	.84
Dividends Per Common Share	.35	.30
SIX MONTHS		
Sales	1,466.3	1,275.9
Pre-Tax Profit	123.7	79.3
Net Earnings	64.3	43.5
Earnings Per Share		
Primary	1.95	1.25
Fully Diluted	1.75	1.21
Dividends Per Common Share	.65	.60
Common Shares		
Outstanding	27,570,000	27,278,000
Average and Equivalents	28,496,000	27,694,000



Scientists perform pre-flight check on TRW-built Viking Biology Instrument, now analyzing Martian soil for life.

These record-breaking figures were aided by excellent performance from TRW units serving domestic and international automotive original equipment markets. Significant contributions were also made by other TRW units, including those serving commercial data communications, automotive aftermarket, energy products, and defense and space systems.

For further information on TRW, please write for a copy of our latest Quarterly Report. TRW Europe, Inc., 25 St. James's Street, London SW1A-1HA.

A COMPANY CALLED
TRW

American Express International Banking Corporation

American Express International Banking Corporation is lead bank in an International Banking Group composed of commercial and merchant banking subsidiaries of American Express Company. Consolidated assets of the independent companies in the Group amounted to more than \$3.4 billion at year end 1975.

CONSOLIDATED BALANCE SHEET

June 30, 1976*

ASSETS	
Cash and due from banks	\$ 302,659,000
Time deposits	334,446,000
Investment securities—at cost	443,033,000
Investment securities—at lower of cost or market	5,951,000
Loans and discounts, less reserves	
1976, \$40,514,000; 1975, \$37,000,000	1,517,286,000
Accounts receivable and accrued interest	69,917,000
Land, buildings and equipment—at cost, less reserves	22,096,000
Customers' acceptance liability	121,383,000
Other assets	42,972,000
	<u>\$2,849,745,000</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Customers' Deposits and Credit Balances:	
Demand	\$ 960,570,000
Time	1,280,810,000
Total	2,241,380,000
Special deposit liability to U.S. Government	35,000,000
Borrowed funds	30,850,000
Due to American Express Company and subsidiaries	114,221,000
Drifts outstanding	57,073,000
Acceptances outstanding	121,412,000
Accounts payable	64,591,000
Other liabilities	40,217,000
	<u>2,704,744,000</u>
Shareholders' Equity:	
Capital Stock:	
Preferred—5% cumulative—authorized and outstanding 25,000 shares of \$1,000 par value	25,000,000
Common—authorized and outstanding 60,000 shares of \$100 par value	6,000,000
Capital surplus	12,281,000
Net unrealized losses on investment securities carried at lower of cost or market	(1,090,000)
Retained earnings	102,810,000
Total shareholders' equity	<u>\$2,849,745,000</u>

*Figures unaudited.

BOARD OF DIRECTORS

HOWARD L. CLARK
Chairman of the Board, American Express International Banking Corporation
Chairman of the Board and Chief Executive Officer, American Express Company

RICHARD M. BLISS
President and Chief Executive Officer, American Express International Banking Corporation

ROYCE AMBROSE
Honorary Trustee and former Chairman of the Board, United States Trust Company of New York

RICHARD F. BLANCHARD
Vice Chairman of the Board, American Express International Banking Corporation and Executive Vice President, American Express Company

MAGNUS R. BOHM
Vice Chairman, General Foods Corp.

CHARLES A. COOMBS
Former Senior Vice President, Federal Reserve Bank of New York

ROBERT G. COWAN
Former Chairman of the Board, Midland National Bank

EDWIN D. EATHERINGTON
Director of various companies; Governor and former President, American Stock Exchange and President Emeritus, Wesleyan University

HENRY H. HENLEY, JR.
President and Chief Executive Officer, Guaranty, Peabody & Co., Inc.

ERNEST J. LOEBBECKE
Chairman of the Finance Committee, The TI Corporation (in California)

ARCHIE R. McARDRELL
President and Chief Operating Officer, Xerox Corporation

ROGER H. MORLEY
Vice Chairman of the Board, American Express International Banking Corporation and American Express Company

RALPH OWEN
Former President, Equitable Securities, Boston & Co., Incorporated

JAMES D. ROBINSON III
President, American Express Company

ROBERT V. ROOSA
Former, Brown Brothers Harriman & Co.

WHITNEY STONE
Chairman of the Executive Committee, Stone & Webster, Inc.

MARTHA R. WALLACE
Executive Director and Vice President of The Hershey Co. Foundation, Inc.

RAWLEIGH WARNER, JR.
Chairman of the Board, Mobil Oil Corporation

EUGENE R. BLACK
Advisor to the Board of Directors



International Banking Corporation

provides businesses, financial institutions, governments and individuals with a wide choice of international financial services, including short term working capital and trade finance, term and project finance, foreign exchange, collection, deposit and money transfer services.

Offices and subsidiaries: Amsterdam, Antwerp, Athens, Bahrain, Basel, Birmingham, Bombay, Bonn/Bad Godesberg, Brussels, Cairo, Calcutta, Cannes, Chongqing, Cologne, Copenhagen, Dallas, Düsseldorf, Edinburgh, Frankfurt, Geneva, Grand Cayman, Hamburg, Heidelberg, Hong Kong, Jakarta, Karachi, London, Lyons, Manila, Mexico City, Milan, Monte Carlo, Munich, Naples, New Delhi, Nice, Okinawa, Paris, Piraeus, Rome, Salónica, Singapore, Sydney, Taipei, Tokyo, Venice, Vienna, Zurich.

International Headquarters: American Express Plaza, New York, N.Y. 10004

MINING NEWS

Gold shares near a 4-year low

BY KENNETH MARSTON, MINING EDITOR

THE LATEST bout of weakness in the bullion price, which dropped \$8.25 to \$108.625 per ounce yesterday, bore heavily on an already despondent market in year, have resulted in Canada's South African Gold shares. Although there was no weight of selling, price losses ranged up to \$1.50 in Randfontein (221) and Hartbeestfontein (225) with the result that our Gold Mines Index dropped 6.3 to 88.3, its lowest since November 27, 1972.

The fall in the metal price has already made its impact on company results. And bearing in mind the fact that the producers received an average price of about \$124 per ounce in the first six months of this year a further fall in the current quarter's working profits is in prospect together with its subsequent impact on dividend payments.

The situation also casts a cloud over the earlier proposed raising of a further sizeable tranche of capital towards the end of this year for the Consolidated Gold Fields' group's \$110m. (\$71m.) Deelaraal mine which is due to reach the trial milling stage in 1980.

It may be that Gold Fields will raise part of the funds required by sales of some of the investments which are to be received for its platinum interests from Anglo American Corporation and Johannesburg Consolidated.

Meanwhile, it is worth listing those mines whose working costs were less than \$100 per ounce in the June quarter. They include: Lesle (89), Western Areas (89), Doornfontein (89), Buffels (89), Johnson (89), Vaal (89), President Stern (87), Hartbeestfontein (87), Kloof (87), Bracken (86), Western Deep (86).

ABLE to break even at below \$80 are: Blyvoor (85), Klipdrift (85), President Brand (87), Winkler (85), Western Holdings (84), St. Helena (84), F. S. Geduld (84), Randfontein (84), East Driefontein (83), and West Driefontein (83).

Most of the mines with costs above \$100 can hope for State assistance, but they will need to show that this will be a wise investment in the longer term when it is hoped, the metal price will recover.

THE chairman stresses that present restrictions make the financing of expansion and internal growth difficult for groups such as Inchcape to the detriment of their position in relation to competitors from other countries.

Most new overseas investment direct from the U.K. has to be financed by borrowing restrictions but horroing restrictions and gearing considerations set limits.

Lord Inchcape emphasises that some reduction in the proportion of overseas earnings which has to be repatriated and some criteria governing exemptions from the overseas currency premium must, in the long term, benefit the country.

As known group pre-tax profit for the year to March 31, 1976 increased from £28.1m. to £37m., including £7.1m. from Anglo-Thal. The aggregate value of exports from the U.K. expanded from £39m. to £71m.

It is proposed to alter the articles. Meeting 3-6 Bury Court, EC, September 10, noon.

Through the acquisition of just under 15 per cent. interest in Ocean Wilsons, a foothold has been obtained in South America. As an adjunct to this, through a company recently set up and jointly owned with Ocean Wilsons, it is intended to explore trading opportunities in Brazil and possibly elsewhere in Latin America.

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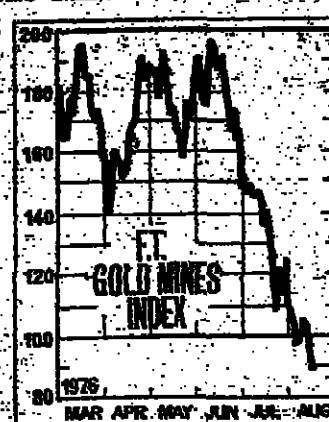
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R27m. claim on Botswana mine

Following yesterday's news the still struggling nickel corporation of Botswana RST facing claims by Anglo-Nor Refining and Triand Refining our Johannesburg correspondent reports that the Triand claim for R27m. (\$17.4m.) for alleged failure on the part of mine to fulfil a sulphur commitment.

The contract was for 70 tonnes of sulphur per year, 1974-84 for use in the manufacture of phosphoric acid at Triand Refining plant.

Potential would have cost far more than the imported supplies which the fertilizer company has to report.

Triand is stated to have started arbitration procedure after other avenues to reach agreement on a settlement have been exhausted.

The dispute expected to be resolved in-Ge by the International Chamber of Commerce.

But the tribunal has reserved right to impose a new ceiling on copper prices rise too sharp.

Electrolytic copper which closed at \$284.25 per tonne in London Metal Exchange on day.

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SOUTH AFRICA'S GOLD OUTPUT

After allowing modest increases in the previous three months South Africa's gold production last month at 1,244,671 ounces was marginally below the 1,277,117 ounces for June and goes against 1,338,356 ounces in July of last year.

For the seven months of the current year to date, output totals 8,062,324 ounces compared with 8,139,834 ounces for the comparable period of 1975 when the full year's total was 82,700 ounces, the lowest for 14 years.

Commenting on the proposed changes in taxation and allowances for mineral resource industries announced in the Australian federal budget, the premier of Western Australia, Sir Charles Court, an often vehement critic of the policies of the previous Labor administration, said that the new proposals will provide a significant, although not necessarily immediate, boost for the State.

Our Perth correspondent reports that Sir Charles added that by laying the groundwork for economic change, the budget "will eventually have its greatest impact on Western Australia." He continued that the State's future "in resource development which will create employment and career opportunities and generate export and other income to benefit the economy of all Australia."

Sir Charles considered the incentives for petroleum and mining vital. "They come at a good time as we move into the next stages of negotiation on north-west shelf gas and other."

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Inchcape confident

Even though rapidly changing economic and political conditions make accurate forecasting difficult, the directors of international merchants, Inchcape and Co., view the future with considerable confidence, says the chairman, the Earl of Inchcape.

There are indications of a recovery in trading conditions and the

Tubes' midway £18.52m. better than expected

ON EXTERNAL sales up from £291.78m. to £338.51m. first half 1976 pre-tax profit of Tube is £18.52m. compared with £18.23m. in the corresponding period of 1975. This is better than was indicated earlier in the year, the directors state. For the year 1975 sales were £618.77m. and pre-tax profits £43.34m.

Attributable earnings for the six months were £24.7m. or 19.5p (20.6p) per £1 unit. The interim dividend is lifted from 5p to 8.5p net. Last year's total was 17.55p.

Six months	1976	1975
Steel tube sales	11,232	10,741
Consumer finance	4,094	3,733
Domestic appliances	1,238	1,408
Enclosures	19,227	18,184
Industrial electrical	1,238	1,408
Alloy West Simples	14,121	14,121
Overseas	53,728	53,728
Total external sales	25,587	25,587
Trading profit	9	263
Profit before tax	10,208	10,208
Depreciation	1,708	1,708
Finance charges	1,708	1,708
R.A. proportion	1,708	1,708
Share transfers	1,708	1,708
Profit before tax	2,211	2,211
Profit before tax	2,211	2,211
Profit before tax	2,211	2,211

The basis of the U.K. stock valuation has been adjusted with effect from January 1, 1976. The effect of this change has been to increase the trading profit for the six months by some £1m. and both opening stocks and reserves by some £5m.

The tax has been reduced by the utilisation against current profits of losses brought forward to £3.7m. or 19.5p (20.6p) per £1 unit. The interim dividend is lifted from 5p to 8.5p net. Last year's total was 17.55p.

The steel tube division maintained its momentum, offsetting a lower demand for capital goods with some revival in demand from the motor industry and continuing high exports, the directors state.

Poor trading results in the domestic appliance division stemmed from the depressed state of home demand. A return to the former volume is not to be expected in the near future when there is a fall in the real purchasing power of consumers in prospect.

The cycle division mitigated the effects of the reduced demand in the U.S. market with higher sales in other overseas territories. There was an upturn in export orders for machine tools, but it was too late to protect the machine division's results for the period from the effects of the low order intake during the latter half of 1975.

Demand for aluminium products recovered sharply from the low level of mid-1975 and this, combined with improved prices, brought about a significant improvement in the performance of British Aluminium.

The expectation is that continuing strength in overseas markets followed by some improvement in investment demand should enable the group to maintain profits at about recent levels, until a wider recovery of the U.K. economy takes place.

engineers Robert Jenkins (Holdings) with effect from today. This follows a placing of 157,000 Ordinary shares in the company at a price of 23.32p per share.

The shares are not quoted on the London Stock Exchange.

First half advance for BCA

PRODUCERS and suppliers of aggregates, BCA, a subsidiary of Associated Portland Cement Manufacturers, reports pre-tax profits up from £247,268 to £306,712 for the first half of 1976 on turnover of £2,942m. against £2,880m.

The interim dividend is held at 0.56p net per 20p share. Last year's total was 2.0275p paid from pre-tax profits of £567,722.

The chairman, Mr. T. R. Chesterfield, says that the level of activity of the construction industry in the group's areas continues to decline but less steeply than in 1974 and 1975. Profits for the first half show an improvement but the volume of trading in the rest of the year is expected to continue at much the same level and margins are under increasing pressure.

The recently announced cuts in Government expenditure, many of which will apply to road construction and maintenance, underline the already clear prospect that the present depression of the industry will continue in 1977, he adds.

1976	1975
Turnover	2,942
Trading profit	554,977
Depreciation	24,378
Finance charges	2,332
Profit before tax	268,267
Tax	219,500
Net profit	87,215

A-American Securities increase

Anglo-American Securities Corporation reports gross revenue up from £1.46m. to £1.56m. and an advance in pre-tax revenue from £1.19m. to £1.25m. for the six months to July 15, 1976.

An unchanged interim dividend of 1p net per 20p share has already been announced. Last year's total payment was 2.35p from pre-tax revenue of £2.42m.

The net asset value at the end of the first half was 125p dividend (124p c.d. at January 15) or 123p c.d. (122p c.d.) fully diluted.

Six months	1976	1975
Gross revenue	1,558,608	1,478,714
Expenses and int.	108,273	94,382
Revenue before tax	1,450,335	1,384,332
Taxation	68,623	47,186
Profit before tax	1,381,712	1,337,146
Tax	119,331	87,823
Leaving	1,262,381	1,249,323
Interim Div.	124p	122p
Residual	113.98p	112.75p

ROBT. JENKINS

An "over-the-counter" market will exist in the shares of process

BIDS AND DEALS

Berwick Timpo to acquire Harbutt's

TOY GROUP Berwick Timpo is to acquire Harbutt's Plasticine, a family-controlled private company.

Berwick is to pay 46p cash now—worth £150,000—plus a further three tranches of £1,000, also in cash, over the next three years.

The net tangible assets being acquired were valued at £365,000 in the last balance sheet. Harbutt's, which has a patent on the plasticine name, has considerable interests in the wax crayon market, made a loss last year of over £30,000.

It has other interests in boxed toys and novelties through two subsidiaries, A. E. Bingham and Marchant (Games), though these have made losses since they were acquired four years ago. It is expected that these interests will be amalgamated into Berwick's existing boxed toys business.

New management has already been installed in Harbutt's loss-making Canadian subsidiary, and this is expected to return to profitability in the near future.

Harbutt's traditional plasticine business (started in 1897) made a profit last year of over £105,000, against £231,000 in 1974. At present roughly 50 per cent of the business is through the toy industry, 30 per cent to overseas markets and 20 per cent to the educational authorities.

AIP HAS 51% OF CENTRAL PROVINCE

Bandanga Holdings, which has a 23.5 per cent stake in Central Province Ceylon, has failed in its attempt to prevent the take-over of that company by Anglo-Indonesian Plantations.

It was announced yesterday that AIP had received acceptance in respect of 1,532,836 CPC Ordinary shares and 101,591 Preference shares, representing 51.2 per cent and 87.8 per cent, respectively. The offers have, therefore, been declared unconditional.

ODEON (IRELAND) —IRISH CINEMAS

The recommended offers on behalf of Odeon Ireland for the Preference and Ordinary shares of Irish Cinemas have been extended until September 6. Acceptances have been received in respect of 124,332 Ordinary shares (38.6 per cent of the offer). Prior to the offer, Odeon already owned 123,236 Ordinary shares—about 38 per cent of the total Ordinary capital.

Acceptances of the offer for the Preference have been received in respect of 105,315 (52.8 per cent of the total).

BLACK AND EDGINGTON

Black and Edgington has agreed to acquire John Edgington and Co. for an initial sum of £227,240 and a further consideration of £50,000, payable in 12 months' time. An additional sum not

exceeding £55,000 may also be payable if certain tax liabilities for which provision has been made do not materialise. The acquisition will be satisfied by the issue of Black and Edgington Ordinary shares valued on the basis of the middle market price ruling at the time of issue.

Turnover of the John Edgington Group, which is a contract hire of taxis and marquees, is of the order of £300,000 and net assets being acquired are in excess of £300,000.

RECKITT OFFER MAY POSE MONOPOLIES SITUATION

The Board of Letraset held a meeting yesterday with its financial advisers, merchant bankers Kleinwort Benson, on the subject of the counter to its bid for artists' materials group Winsor and Newton the previous day from Reckitt and Colman.

No major decision came out of the meeting, though spokesmen for Kleinwort said that they were "keeping a close watch on the situation." He also expressed the view that the agreed bid by Reckitt and Colman, which the Reckitts paint company could represent a Monopolies situation.

LESLIE & GODWIN

News that Leslie and Godwin's proposed merger negotiations with Wigham Poland had been broken off came as a relief to the stock market yesterday and the shares closed 5p higher at 104p.

Before the announcement that discussions between the two companies were being held, on July 26, Leslie and Godwin's share price was as high as 123p. A factor behind the fall in price has been the spiking of market speculation that a bid might be in the offing for Leslie and Godwin.

All parties agreed last night that the negotiations broke for two main reasons. In the first place, there was the problem of allocating boardroom responsibilities in the context of a roughly one third to two thirds split in favour of Leslie and Godwin, in the new company.

Secondly, there were a number of technical issues consuming a great deal of time, including for example the post-merger level of shareholdings. Wigham Poland has major shareholders in the form of a 64 per cent holding by Anglo-Continental and 25 per cent by Thomson Organisation. Thomson's stake would have fallen to less than 10 per cent and attempts to rectify this, with the agreement of other shareholders, failed to succeed.

Mr. Norman Gant, chairman of Leslie and Godwin, revealed yesterday that his company would be producing interim figures for the first time. He believed the market would be pleased with them and a further consideration of £50,000, payable in 12 months' time. An additional sum not

New scheme will save UDT £6m. interest

BY MARGARET REID

United Dominions Trust, the finance house which has been the largest borrower from the big bank "Lifeboat", has made arrangements which will cut its interest bill by more than £2m. a year, partly as a result of some capital reorganisation. It was revealed yesterday.

At the same time, it became known that the group—which included a much reduced net loss of £2.8m. in the year to June 30, 1976, compared with a net loss of £3.8m. in 1975—had reduced its borrowings from the "Lifeboat" by about a fifth. At the peak last year, the company had some £450m. on loan from this source under the arrangements by which the large bank had been lending to help concerns hit in the secondary banking crisis.

Nearly £3m. a year will be saved by a lower interest rate on UDT's "Lifeboat" borrowings. Further, the group has paid interest on this money at a margin of 14 per cent over inter-bank rate. Now, from July 1, this will be reduced. It is believed by 1 per cent to 3 per cent over inter-bank rate.

Further interest charges will be saved through arrangements made by UDT's two largest shareholders, Prudential Assurance and Eagle Star Insurance, to exchange a total of £31.26m. of convertible loan stock (after paying out another £10m. of such stock) into a similar total of convertible preference stock of the group.

The Prudential has some 264 per cent, and Eagle Star 10 per cent, of the Ordinary shares. The details of this reorganisation will involve UDT calling up £4m. of the Ordinary shares. Investors in cash the remaining £27.26m. of the £31.26m. of convertible loan stock.

The effect of this will be to reduce the £10m. of further cash to UDT. The group will save yearly interest of some £3.6m. on the cancelled loan stock; interest at 10 per cent on the Preference stock will be due for payment out of net profits, when available, rather than chargeable to the profit and loss account.

Mr. Leonard Mather, the chairman, said yesterday that the new arrangements would mean "a most welcome improvement in the capital base and an enhanced profit prospect." Stockholders' funds and Preference capital will be increased to about £37m.

He also said that the "Lifeboat" banks had confirmed their continued support. The shares ended unchanged at 20p, after being 2p up at 22p at one stage.

Unlike some other concerns caught in the secondary banking crisis, UDT has had to make no

further provisions in the past year against bad and doubtful debts. Indeed there has been a release of £1m. of provisions no longer needed against loans for property developments. About £30m. of the previous £130m. total of loans against property has now been paid back. £30m. houses which formed part of the security having been sold in the past year.

The group made a pre-tax profit of £4.1m. in 1975-76, compared with a £2.4m. loss the previous year, but tax and minority interests turned this into a £4.2m. loss against one of £3.7m. Extraordinary items, including an increased value of overseas assets in sterling terms after the pound's fall, brought a credit of £2.1m. against a £2.1m. debit, making a net loss of £2.8m. against one of £3.8m. There will be no ordinary dividend and the preference dividend is also again paused.

See Lex

See Lex

See Lex

Crouch turns in £0.61m.

THE MATERIALLY higher pre-tax profit forecast at halfway—when a marginal increase from £241,500 to £247,000 was reported—by the directors of Crouch Group turning out to be £207,000 for the year to March 31, 1976, compared with £212,000 for the previous 12 months.

Earnings per 25p share rose from 7.70p to 8.45p and the final dividend is 1.275p net for 2.68125p (2.4375p) total.

The effect of this will be to reduce the £10m. of further cash to UDT. The group will save yearly interest of some £3.6m. on the cancelled loan stock; interest at 10 per cent on the Preference stock will be due for payment out of net profits, when available, rather than chargeable to the profit and loss account.

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Charterh Finance cuts loss

The chairman of Charterh Finance Holdings, Mr. Williams, announces the year ended June 30, 1976, compared with a year ended June 30, 1975, when the company's deficit is made operating expenses and paid by the company £7,000,000. There is no dividend in 1976, but the company has a surplus of £21,500,000 less attributable to the Alderman and partners subsidiaries during the year of £14,000,000, amounting to £27,500,000.

The profits of the and Whinsford for a year ended June 30, 1976, compared with a year ended June 30, 1975, when the company's deficit is made operating expenses and paid by the company £7,000,000. There is no dividend in 1976, but the company has a surplus of £21,500,000 less attributable to the Alderman and partners subsidiaries during the year of £14,000,000, amounting to £27,500,000.

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Reckitt & Colman

Interim Report for the half-year to 3rd July 1976

Interim financial statement for the half-year ended 3rd July 1976				
full year 1975		1st half 1976	1st half 1975	
£ million		£ million	£ million	
369.26	Sales to customers	226.66	173.40	
39.42	Trading profit	25.68	18.64	
4.71	Interest payable less other income	1.83	2.59	
34.71	Operating profit	23.85	16.05	
0.71	Exchange differences	2.85	1.32	
35.42	Profit before tax	26.70	17.37	
16.60	Tax on profit	11.19	7.69	
18.82	Profit after tax	15.51	9.68	
2.28	Attributable to minority interests	1.59	1.04	
16.54	Preference dividends	13.92	8.64	
0.16		0.08	0.03	
16.38	Earnings attributable to ordinary shareholders	13.84	8.56	
(0.68)	Extraordinary items	1.29	0.16	
15.70	Profit available for distribution	15.13	8.72	
27.0p	Earnings per share	22.8p	14.1p	

Sales and operating profit by area				
Sales		Operating Profit		
	1st half 1976	1st half 1975	1st half 1976	1st half 1975
	£m	£m	£m	£m
United Kingdom	52.65	44.28	3.32	2.56
Europe (excluding UK)	35.68	27.23	3.31	1.93
North America	54.38	37.09	4.59	2.52
Australasia and Asia	45.76	34.15	6.03	4.79
Africa	19.73	17.28	3.81	3.58
Latin America	18.46	13.37	3.25	1.25
Corporate interest and expenses	—	—	(0.46)	(0.58)
	226.66	173.40	23.85	16.05

STATEMENT BY THE CHAIRMAN—Mr A M Mason RESULTS

I am pleased to report that the Group increased its sales by 30.7% and operating profit by 48.6%. Earnings increased by 61.7%. However, these increases need to be seen in the light of the substantial fall in value of sterling against other currencies, and the continuation of inflation in the United Kingdom at a damaging, albeit lower, rate. In the UK the deterioration of the pound due to inflation during the first half of 1976, compared with the same period of 1975, was 19%. Worldwide, in those areas where the Group operates, including the UK, taking into account both exchange rate movements and inflation, the comparable figure translated into sterling was about 24%, after weighting for size of operations. This rate of 24% has to be measured against the Group's sales increase of 30.7% and operating profit improvement of 48.6%. Earnings in the first half of 1976 benefited additionally by £2.85 million from exchange differences arising on net assets overseas. This favourable difference was consistent with our experience in 1975, when the first half-year benefit was £1.32 million. It will, however, be noted that in the second half of 1975 the difference was unfavourable reducing the figure for 1975 as a whole to £0.71 million. It is impossible to forecast how the second half of 1976 will affect the year-end position.

Operating profit attributable to the Group's activities overseas accounted for 86% of the total, before deducting corporate interest and expenses, and a table of sales and operating profit by area is set out below.

Successful cash flow management resulted in a significant reduction in borrowings in 1975 and this improved position has been maintained in 1976. As a result, interest paid at £1.83 million decreased by £0.76 million, compared with the first half of 1975.

TRADING PERFORMANCE

Within the United Kingdom, sales increased by 18.9% and operating profit by 29.7%, and while credit is due to our businesses in this country for that level of improvement, it should be remembered that in the first half of 1975 trading performance was essentially modest. The profit figure is still below the established reference level for price control purposes and, after allowing for inflation, on an indexed basis well below that of 1973. There is now a welcome reduction in the UK inflation rate but there is still a long way to go to match the much lower rates of other major industrial countries. Colman Foods continued the significant progress made last year and the performance of Household and Toiletries Division was greatly improved.

Investment continued in the Pharmaceutical Division, with operating profit well ahead of 1975. Export sales, both to customers and to our overseas subsidiaries, at £12.01 million, showed an increase of 27.5%. Operating profit on these sales increased by 40.0%.

In Continental Europe, France performed very strongly in spite of severe price control. In Belgium, Holland and Spain our businesses made good progress. Furthermore,

the healthy performance during 1975 of our Scandinavian operations was well maintained during the first half of 1976.

In North America, The RT French Company produced greatly improved results by comparison with its performance in the first half of 1975, when the US economy was in recession. This improvement in our performance there, which started in the second half of 1975, has encouraged us to raise expenditure on development programmes.

In Latin America, while most of our companies contributed to the very substantial improvement in operating profit, special mention must be made of our business in Brazil, where, despite continued high inflation, margins have been restored and the resulting cash flow greatly strengthened. As a result interest payments have decreased and earnings have improved markedly.

In the countries making up our African business, progress was modest, mainly due to continuing problems in nearly all countries including South Africa. Local manufacturing in the important market of Nigeria was expanded as were our exports to that market.

In Australasia and Asia, where the Group's largest single entity is Reckitt & Colman Australia, performance was strong in comparison with the first half of 1975. Reckitt & Colman Australia has already published its interim results and, in an uncertain trading environment for the year, it was nonetheless able to point to the achievement of significant progress in the majority of its operating divisions.

Although the results for the first half of 1976 are encouraging, any prediction of the outcome of the year as a whole is likely to be inexact in the face of fluctuations in the value of sterling. I do not therefore propose to make any forecast.

Earlier this week, we announced our intention of making an offer for the issued ordinary capital of Winsor & Newton Limited, the well-known and long established artists' materials company. It is a very much hoped, that company becomes part of the Reckitt & Colman Group. It will strengthen and expand, particularly overseas, our activities in its product field.

DIVIDENDS

A hero of our time

The Laird at last

BY ISOBEL MURRAY

ISTORY TODAY

Edited by Peter Quennell and Alan Hodge

**ROYAL PATRIMONY :
PRADO MUSEUM**

Ign Read

4: THE LAST NAPOLEONIC TORIES

Patrick Turnbull

**HANIEL HAWTHORNE, CONSUL AT
ERPOOL. 1853-8** *Charlotte Lindgren*

Charlotte Lindgren

**CHRISTIAN RENEGADES AND BARBARY
SAIRS** - Stephen Clissold

AND BARDANI
Stephen Clissold

NAVAL HOSPITALS OF ENGLAND

Courtney Dainton

GENERAL SIR HARRY SMITH,
7-1860 *William Seymour*

SMITH,
William Seymour

ELLI AND THE VIOLIN *Owain Edwards*

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[illegible]

reveals a little of this in the essay *Anti-critique* which is the final-piece of this collection. It is in form a rumination about art. Like the ruminations of many writers about art, it is in essence a justification of his own, and a hope that some day his

as about any writer who ever lived—including the physical details of his bizarrely happy marriage, since Dostoevsky was not notably tight-lipped. We know much more about him than interested Anglo-Saxons at present know about Malraux.

Milner's Mission

BY GEORGE MALCOLM THOMPSON

Before the

Revolution



the hostility of, at least, half of the Liberal Opposition. He is the chief architect of the South African war. He took incredible risks—defeat, disavowal, disgrace—yet the impression he leaves is not that of a cunning, instinctive gambler but of a man so convinced of the rightness of his cause that he plunges eyes, shut, head down. Milner got his war and his victory. He did not much like the outcome. Victorians often don't.

Wankel Wunder

BY BRIAN AGER

For this is mainly a story of how human and big business factors affect a major invention. And a major invention attracts people with imagination and flair and companies with the cash and know-how to market the idea.

has gone on to design a diesel version of his engine and also a supercharger to cure the petrol version's thirst. And this may prove to be one of the most important developments. The crisis was a set-back for the Wankel. But even without the

Before the Revolution

BY DAVID LASCELLES

years though a strong
alliance with Bismarck's Prussia,
Frankshaw argues, sowed the
seeds for Imperial Russia's
destruction by permitting the
growth of a strong, unified
Germany.

**'Japanese Prints
from 1700 to 1900'**
Phaidon Press's giant paper

U.K. ECONOMIC INDICATORS

Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‡‡ Excluding car radios. ‡‡‡ Deliveries, U.K. made and imported sets. h From May, 1975 onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. i Prices. f Including cooker grillers toasters. c Value of output. g United Kingdom not seasonally adjusted. g First preliminary estimate. p Provisional figures.

Gold shares again weak in listless stock markets

Share index eases 0.6 to 375.8—Reckitt & Colman strong

6.88	5.92	5.92	5.87
17.11	17.23	17.23	17.10
8.65	8.59	8.60	8.68
4.261	4.736	4.663	4.758
31.26	31.73	36.30	44.84
9.937	9.906	10.589	17.553
77.2	Noon 378.1	1 p.m. 378.1	
9.7	p.m. 376.6		
Index	31-245	8225	

corporation tax. (b) \$110-8.54	
Fixed Inv. 1923. Ind. Ord. 1-24	
c. 1942.	
S. S. E. ACTIVE	
compensation	Aug. 18
Low	
49.18	Daily—
(3/1/78)	Gift—Edged—
50.53	Industrials—
	Speculative—
(3/1/78)	Totals—
	181.5
	144.2
	49.2
	305.5

49.4	Semi-convertible	186.4
26.6(40)	Gift-Eldged	13.8
42.5	Speculative	42.5
26.1(37)	Total	103.8

Financials mirrored "Angold," £12, General £132, and "Johannes" a half-point, as did GFS. The London-based sta-

also affected by the loss of U.K. Industrials, the Fields and RTZ both at 130p and 188p respectively. Platinums were down in sympathy with Golds, but with weaker Coppers, all on 3 more to 215p. Following a local demand for Diamonds, De Beers fell after a year's low of 1

Again, Australians pro only bright spot in markets following the buoyancy in Sydney Melbourne, which reflection with Tuesday's Budget which reduced export levy and interest concessions. In Con

**RISES AND FALLS
YESTERDAY**

Corps.	Dom.	and	
Foreign	Bank		13
Industrial			271
Financial	and Prop.		146
Gilt			10
Plantation			1
Mines			11
Recent Issues			1
Totals			463

BASE LENS		RATES	
Allied Irish Bank	10	10	10
American Express Co.	10	10	10
Anglo-Portuguese Bank	10	10	10
Henry Ansbacher	10	10	10
Banco de Bilbao	10	10	10
Banco de Jerez	10	10	10
Bank of Cyprus	10	10	10
Bank of N.S.W.	10	10	10

Banque du Rhone \$
 Barclays Bank
 Barrett, Christie Ltd.
 Bremar Holdings Ltd.
 Brit. Bank of Mid. E.
 ■ Brown Shipley
 Canada Permanent A
 Capitol C & C Fin. A
 Gayzer, Bowater Co. A
 Cedar Holdings
 C. ...

- Charterhouse Japan
- C. E. Coates
- Consolidated Credit
- C-operative Bank
- Corinthian Securities
- Credit Lyonnais
- G. R. Dawes
- Duncan Lawrie
- English Transcont.
- First London Secs
- Antony Gibbs

Goode, Durrant & Trueman
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
■ Hill Samuel
C. Hoare & Co.
Julian S. Hedge
Hongkong & Shanghai
Industrial Bank of Japan
Keyser Ullmann

Knowsley & Co. Ltd.
Lloyds Bank
London & European
London: Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Tr.
Norwich General Tr.
Portman Guaranty

P. S. Refson & Co.
Rossminster Accept
Schlesinger Limited
E. S. Schwab
Security Trust Co. L
Shenley Trust
Standard Chartered
Trade Development B
Twentieth Century B
United Bank of Kuwa
Whitman, London

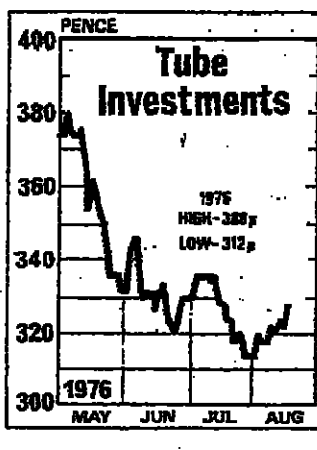
Williams & Glyn's
 Yorkshire Bank
 Members of the Acceptance
 Committee
 7-day deposits 5 1/2%, 1-month
 6 1/2%
 7-day deposits on sum of £
 under 50,000, 1% to 25,000
 over 25,000 7 1/2%
 Demand deposits 5%
 Call deposits over 51,000

CORAL INDEX
Class 373-378

**INSURANCE B.
RATES**

† Atlantic Assurance.....
Cannon Assurance.....

† Address shops under house
Property Bond table.....



Philips' Lamp rally

Peachey higher

FINANCIAL TIMES STOCK INDEX							
	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 12	Aug. 11	
Government Secs.	62.24	62.26	62.20	61.95	61.96	62.23	
Fixed Interest	61.94	61.98	61.95	61.68	61.98	61.62	
Industrial Ordinary	376.8	376.4	377.3	374.4	373.3	376.6	
Gold Mines	88.5	95.3	99.5	101.0	103.4	105.1	
Ord. Div. Yield	5.91	5.90	5.88	5.92	5.92	5.87	
Earnings Yield (Index)	17.18	17.17	17.11	17.25	17.23	17.10	
P.E. Ratio (m) (a)	8.61	8.63	8.65	8.59	8.60	8.56	
Dealings made	4,627	4,826	4,261	4,736	4,605	4,756	
Equity turnover (m)		56.96	51.25	71.73	36.50	44.84	
Equity turnover (m)		10,183	9,537	9,901	10,389	11,553	
10 a.m. 487.7	11 a.m. 377.2	Noon 376.7	1 p.m. 376.1	1 p.m. 376.1			
Latest Index 12-34 PM (a) Based on 12 mos. corporation tax. (b) NID 8-24 Basis 100 Cor. 12/16/25. Fixed Int. 1223. Ind. Ord. 1774 Mines 12 1/2. 5% Activity July-Dec. 1962.							
HIGHS AND LOWS						S.E. ACTIVITY	
1956		Since Completion					
	High	Low	High	Low		Aug. 16	
Govt. Secs.	55.21 (50.61)	60.19 (27.1)	127.9 (51.79)	49.18 (61.79)	Daily Bull-Raised	181.5	
					(Industrial)	144.2	
Fixed Int.	64.42 (52.9)	98.78 (42.0)	126.4 (50.5)	60.53 (61.78)	Secularized	49.2	
					Total	105.8	
Ind. Ord.	420.8 (42.8)	554.7 (16)	543.5 (130/175)	49.4 (26/64)	Index at 20	126.5	
					Oil-Index	133.6	
Gold Mines	245.9 (26.1)	89.4 (18.6)	442.3 (72/175)	42.5 (26/121)	Speculative	42.5	
					Total	103.9	

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

[illegible]

ACTIVE STOCKS

Stock	Denomina- tion	marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£p	14	348	-	402	328
EAT's Deftd.	£sp	13	215	-	255	205
WTF	£p	10	239	-	278	175
Reckitt & Colman	50p	8	340	+11	363	315
ANZ	\$A1	7	375	+	376	251
Burmah Oil	£p	7	39	-	53	31
Gus 'A'	£sp	7	186	+	224	176
GKN	£p	13	360	250	361	251
Geasle & Goddard	10p	7	104	+6	189	94
Real International	£p	7	812	-	2731	219
Shell Transport....	£sp	7	422	-	462	378
Acrow 'A'	£sp	6	62	+2	66	54
Beecham	£p	6	356	300	399	300
Woolwich	£p	6	55	-2	605	55
Barclays/Schwab's	£sp	6	47	+	55	44

Option Report—3-month Call Rates

First Deal-ings	Last Deal-ings	Last Declara- tion	For Settle- ment	Ortiz, Contrabando	Finance
Aug. 17	Aug. 31	Nov. 11	Nov. 23	National Warrants	Westminster Bank
Sep. 1	Sep. 13	Nov. 25	Dec. 7	Cavenham Warrants	Consolidated Gold Fields, MEPC.
Sep. 14	Sep. 27	Dec. 9	Dec. 21	Bond Worth, J. Warren and Reardon Smith	"A," while "double" was arranged in
"Calls were dealt in			ICI,	Slater Walker,	

MONEY MARKET

Free credit supply

Bank of England minimum lending rate was cut (since May 21, 1976) with a net take-up of Treasury bills and settlement of Treasury gilt-edged sales. On the other hand there was a decrease in the note circulation and the banks' balances. The market was also helped by Government disbursements exceeding revenue transfers to the public sector by an amount larger than expected. Discount houses paid around 10

NEW HIGHS AND LOWS FOR 1976

The following securities, quoted in the Share Information Service yesterday, attained new highs and lows for 1978.

NEW HIGHS (18):

CORPORATIONS (1)
Bristol 5:30c 75-77

LOANS (1)
ICFC 10mc 1976

FOREIGN BONDS (2)
Ireland 7:20c 81-85 Japan Apr 1916-Ase

AMERICAS (1)
U.S. Steel

ENGINEERING (1)
Aluminum Corp.

FOODS (1)
Bibby (J.)

INDUSTRIALS (5)
Bristol Hill Prod. Schlumberger
Ch. Indus. Winsor & Newton
Citicorp. Corp.
Ehrlich Hooper

BASE LEND RATES

American Express Co.
 Anglo-Portuguese Bank
 Henry Ansbacher
 Banco de Bilbao
 Banco de Jerez
 Bank of Cyprus
 Bank of N.S.W.
 Banque du Rhone S.
 Barclays Bank
 Barnett, Christie Ltd.
 Bremar Holdings Ltd.
 Brit. Bank of Mid. E.
 Brown Shipley

CORAL INDEX

**INSURANCE B
RATES**

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

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FINANCIAL TIMES

Thursday August 19 1976

Join up with the
Cooper Turner C
Manufacturers of industrial facilities

Thousands lost in Philippines quake

BY OUR OWN CORRESPONDENT

MORE THAN 5,300 people are either dead or missing in possibly the most disastrous earthquake in the history of the Philippines, rescue workers announced today, as a massive relief operation was put into effect.

The National Disaster Control Centre said 28,700 people were homeless, but in the Zamboanga Sur area alone, one of the hardest hit, the provincial governor estimated the number of refugees at more than 100,000.

Ten provinces were shattered by the 20-second earthquake on Tuesday, which caused huge tidal waves in Mindanao, 500 miles south of Manila, where most of the country's 3m Moslems are concentrated.

The earthquake destroyed or damaged almost 700 buildings in Mindanao, and caused wide-

ranging destruction of roads and bridges, seriously hampering the relief effort.

But by far the largest number of casualties and damage are blamed on tidal waves, which sucked whole villages out to sea after carrying more than a quarter of a mile inland.

In an official communiqué the control centre reported 3,103 deaths, 1,360 injured and 2,382 missing, with the Maguindanao (North Cotabato) province in Central Mindanao suffering the heaviest casualties, 746 dead.

The authorities fear that casualty figures will mount, because of the large number still missing.

"We can probably assume that most of the missing are now

dead," the chief of the Cotabato-based Central Mindanao Military Command, Col. Delfin Castro, said. It was almost impossible for those missing to have survived the tidal waves, which rose in some areas to as high as 30 feet.

Drowned

Perhaps three-quarters of the deaths were caused by drowning as tidal waves swamped whole villages in coastal provinces facing the Celebes Sea, where the force-8 earthquake was centred.

Many bodies recovered are disfigured and identification was a problem, Air Force Brig. Gen. Antonio Villanueva, the relief co-ordinator, said on Government radio.

In Pagadian city, mass burials for an estimated 400 were held today. Gen. Villanueva said 60 per cent of the dead he saw were children.

Rebel-controlled areas in Southern Mindanao are among those believed to have been swamped by the tidal waves.

Many fishing villages washed away were sites of Government-financed agricultural projects.

Rescue work went ahead round the clock, despite heavy rains. One aircraft was forced to turn back for Manila, and others were diverted to other airports in the region.

Some 30,000 lb of supplies, including medicines and food, were flown from here to quake-stricken areas as the Government prepared to tackle the threat of epidemics facing refugees.

Military authorities sent out agents to track down profiteers and people hoarding food.

U.S. President Ford sent President Marcos of the Philippines a message from the Republican Convention in Kansas expressing his "deep distress" and offering assistance.

Previous earthquakes in Philippine history include one which struck Manila in 1863 causing 320 deaths, recorded at force 10. Another powerful quake toppled churches in 1897, but casualties were not recorded.

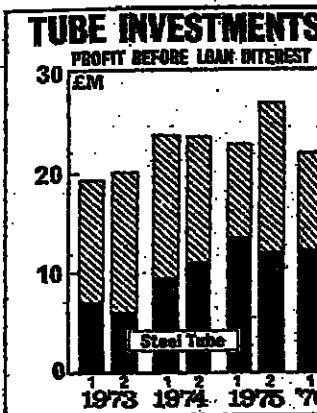
The official Chinese news agency Hsinhua reported that the major earthquake which struck the mountains of central China shortly before the Philippine quake had caused only slight damage. It had been predicted, and officials had taken precautions.

MANILA, August 18

THE LEX COLUMN

More backing for UDT

Index fell 0.6 to 375.8



The substitution of Preference capital for the £21.3m of Convertible loan stocks held by the Prudential and Eagle Star marks a significant stage in the rehabilitation of UDT. To some extent the change is cosmetic, for although it will have the direct effect of boosting pre-tax profits by over £3m, the cost of the Preference dividends (if, that is, they are paid) will not be significantly less than that so long as there is an ACT short-fall.

But the move has also paved the way to a further reduction of 1 point in the cost of lifeboat support, potentially doubling the favourable pre-tax impact for the current year to over £6m. The group is already on an improving trend, with profits of £3.6m, pre-tax in the second half to June against just £0.5m, in the first six months. Continuing losses in the U.K., however, have led to an attributable loss of £4.9m, for the year, after overseas tax and minorities.

It is a good sign that UDT's loan provisions have proved adequate—there has even been a £1m clawback. And the total of shareholders' capital and reserves is being raised from some £36m to £57m. Even so, UDT has a long way to go before its balance-sheet is strong enough to allow it to stand on its own feet; the group deposits total (supported, however, also by further minority and loan capital) is apparently only slightly reduced from the £98m of a year ago. The shares were unchanged at 20p for a capitalisation of £22m.

See also Page 18

Tubes

In May, Tube Investments reported that its profits were running a fifth below 1975's figures: for the half year to June, it now discloses that its net earnings are actually a shade higher. But the trends have not changed that sharply. The tax charge has been reduced by this swing from losses to profits in Canada and Holland. A favourable accounting change has been worth roughly £1m. Interest costs are well below last year's pre-rights issue level. And the share of profits in British Aluminium, boosted by a 30 per cent increase in worldwide demand and some hefty price increases, has jumped from £322,000 to nearly £3m.

All the same there is every reason to hope that a pre-tax decline from £10.2m to £18.5m.

will be comfortably made up over the rest of the year. Short term working, which was fairly widely spread earlier in the year, is just above coming to an end. The steel tube side has remained remarkably stable so far, in the face of falling stock profits and lower demand for capital goods, and is now seeing an upturn in exports and the motor trade. The machine tool side, which lost over £1m in the first six months, hopes to be in the black for the year, and the same could be true of domestic appliances.

That still adds up to the third year of profits stagnation. But then the prospective yield at 32p is 9 per cent, covered maybe 2½ times.

See also Page 18

After Coats Pat

A company which, round figures, double year profits, and at time halves its interim is bound to raise a brow, especially if it acquired a major shareholder in the recent past.

See also Page 18

International Foods

Improved margins are the feature of the interim figures from Unilever and Reckitt & Coleman, notably in Europe, though Unilever still has reservations about its returns in this part of the globe. All the same an overall pre-interest margin of 7.9 per cent is the highest for a second quarter from Unilever since 1973, and is a tenth or so ahead of the eight-year average in this period. The edible fats business (like margarine) is moving from recovery to growth, the heat wave—which this year is taking in the whole of Europe—is making for bumper profits from ice cream and Africa continues to perform very strongly. Unilever is also experiencing good sales volume with growth for the half-year running at around 7 per cent. Interim profits are £255m, pre-tax, against £102m, with the seasonal gearing pushing the second quarter up to £141m, from

Gold falls \$3½ in London; lowest fixing for month

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PRICE of gold fell sharply in London yesterday in active trading. Foreign exchange markets in Europe, however, were rather less hectic than on Tuesday, after a statement by the German Finance Minister that there was no basis for speculation about possible changes in the joint float parties.

Gold dropped \$3½ an ounce to \$1081/109—the lowest fixing for almost a month on the London bullion market. Dealers described selling as quite heavy and widespread, which have become especially volatile andumpy conditions.

No buying interest was evident apart from a technical covering of short-term positions. While no particular reason was cited, yesterday's drop, leading dealers pointed to the continuing uncertainties caused by the regular IMF gold auctions. The next is to be held in September.

They maintained that there would be no rush to buy in such conditions in the absence of any signs of a change in central bank policy at the auctions.

In currency markets, conditions became rather more stable

at the close, after nervous trading earlier in the day.

The slight easing of pressure followed the statement by Herr Hans Apel, the German Finance Minister, in Bonn, that none of the member countries of the joint float had spoken officially or unofficially about making parity adjustments.

"The German Government plans to take no new action on the monetary front and sees no reason to alter its intervention points in the joint float," he added.

He also maintained that the current difficulties over parties within the "snake" were not serious to Germany but to other countries which would have to make adjustments. Herr Apel's statement is the most definite indication so far that no change in German policy is proposed at present ahead of the federal elections later this year.

The combination of this statement and reports of sizeable purchases of dollars by the Bundesbank was followed by a fall in the Mark to DM2.51 from DM2.50.

Higher short-term interest rates in Eurocurrency dealings

for the guilders and Belgian franc helped lift those currencies off their joint float floors against the mark, while a number of currencies made headway against the dollar.

The yen was slightly steadier after its recent strong advances, though only after a very large intervention by the Bank of Japan totalling at least \$100m, according to certain reports. The Yen closed at ¥238 to the dollar against ¥237½ on Tuesday.

Elsewhere, the French franc improved to Frs4.981 from Frs4.984 ahead of the expected economic package, while sterling again remained outside the main unrest with unchanged weighted depreciation of 39.1 per cent.

David Buchanan writes from Washington: Federal Reserve officials in Washington confirmed yesterday that Britain had borrowed about \$400m from the U.S. in June as part of the \$5.3bn standby credit arrangements, but they would not disclose the exact amount. The drawing for June shows as part of the \$794m increase in U.S. foreign currency assets for the second quarter of this year.

Yen gains, Page 5

Wage rates rise 17½% under the £6 policy

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BASIC wage rates increased by 17½ per cent during the fall year of the £6 a head pay policy. The rise in average earnings is likely to be about 15 per cent, for the same period.

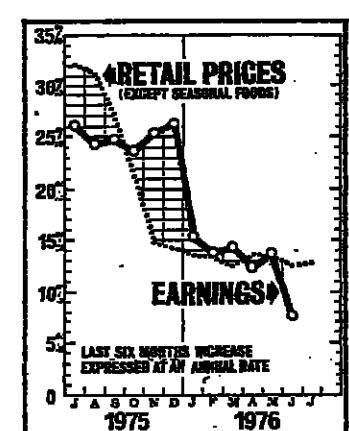
This compares with an increase in the cost of living of 12.9 per cent in the year to July. However, with the exception of one or two erratic months, the underlying recent increases in prices and pre-tax earnings have been similar, and there has been a much sharper impact on real disposable income.

The increase in basic wage rates for manual workers is in line with the Government's target for the £6 policy, but the likely earnings rise is higher than the 12 to 13 per cent increase implied by the £6 limit, and associated transitional and equal pay provisions. The difference of one or two points is explained mainly by the impact of the economic recovery on, for example, hours worked.

Squeezed

Over the second stage of the policy to July, 1977, earnings are officially expected to rise by about 7½ per cent, including about three points from changes in economic activity reflected in overtime and short-time working. There could be more pressures from "drift" and "slippage" depending on the rate of economic recovery. But given the pressures on the cost of living from the fall in sterling and also, possibly, the drought, there is little dispute that living standards will be squeezed with real personal disposable income officially expected to drop by between 2 to 3 per cent in the period to the end of 1977.

The Department of Employment's latest figures show a fall in average earnings, seasonally adjusted, of about three-quarters of a per cent.



to 238.6 (January 1970=100) between May and June. This is the result of the sharp drop in output, and hence hours worked, in June—already reflected in what is officially regarded as a freak drop in the industrial production index. This has also cut the underlying rise in earnings—over the last six months expressed at an annual rate—to an erratically low 7.7 per cent for the period to June, compared with the recent range of 12 to 14 per cent. But output is still on a steadily rising underlying trend, and so any recovery in the production index for July will have some effect on earnings. The exact impact will determine whether the year-on-year rise in earnings is slightly above or below 15 per cent, compared with the 16.6 per cent reported yesterday for the year to June.

The Department of Employment announced yesterday that basic wage rates for manual workers rose by 0.9 per cent in July (as usual a month behind the earnings figures). This reflects settlements for workers in the retail drapery, outfitting and footwear trades. Government industrial establishments and rubber manufacture.

ICI wins share of five U.S. oil rights

BY STEWART FLEMING

NEW YORK, August 18

AN ICI subsidiary is a member of a consortium which submitted the highest bids on five of the Atlantic coastline oil and gas exploration leases put up for tender by the U.S. Government yesterday.

The subsidiary is ICI Delaware, a strategic management company for ICI's North and South American operations. Mr. Edward Goett, the president of the company, today confirmed that ICI had a 15 per cent stake in a consortium which had made successful bids on five tracts. It had been invited to join the consortium by Chevron with whom it already has joint exploration ventures in the Gulf of Mexico.

It was the first time that ICI had participated in a U.S. oil lease auction. Mr. Goett said that ICI has two main objectives in building up an oil exploration position in the U.S.

It hopes that it will successfully share in crude production will produce a cash flow quickly to help ICI finance its U.S. investment programme. In the longer term it will secure crude supplies for ICI's planned petrochemical plants in the U.S.

Clear evidence of the attractions of the U.S. Atlantic coast for oil exploration emerged when the sale of leases in the mid-Atlantic—Baltimore—canyon trough finally got under way after an eight-hour delay.

The announcement of the bids for the 154 tracts began eight hours after the scheduled 10 a.m. start, and by the time the sale was over the 60 oil companies participating had offered a combined total of \$3.5bn for leases. The highest bids on the 101

tracts for which bids were submitted totalled over \$1.1bn, approaching twice the sum which the U.S. Government had been anticipating might be offered.

The bidding was characterised by enthusiasm of the oil companies. This is especially significant given the uncertain background to the sale. Throughout most of yesterday it remained unclear whether it could proceed.

Last Friday a combination of opponents of the sale including local authorities and environmental groups managed to obtain an injunction halting it. On Monday this injunction was stayed, but yesterday morning just as it was to begin, the opponents appealed to a Supreme Court Justice.

Litigious

Not until just before 6 p.m. did Justice Thurgood Marshall decide to allow the bidding.

It seems likely, however, that opposition to exploration in the area of the leases will continue and New York State has made it clear that it will oppose the landing of any oil that is discovered on its shores. Thus the exploitation of the leases promises to be a complex and litigious process.

Nevertheless, the world's largest oil company, Exxon, was by far the most active bidder, applying for 69 of the 101 leases and was highest bidder on 34 of them with offers totalling \$349m.

The highest bid on a tract came from a consortium headed by Mobil Oil, the Sun Company and Getty Oil for a tract bearing a double rate of royalty. The bid was \$107.7m.

Neave says accused terrorists should have to prove innocence

BY GILES MERRITT IN BELFAST

THE FORMAL withdrawal from political life of Ulster's former Premier, Mr. Brian Faulkner, who resigned the leadership of the Unionist Party of Northern Ireland, yesterday was somewhat overshadowed in Belfast by a proposal for sweeping new anti-terrorist legislation from Mr. Aire Neave, the Shadow Northern Ireland Secretary.

Mr. Neave, calling for a "guilty until proved innocent" approach to terrorists in the Province's courts, said that the future of the bipartisan relationship between Opposition and Government on Northern Ireland "largely depends on the Government."

His suggestion came at the end of a three-day tour of Northern

Ireland, during which he discussed the "exceedingly serious" security situation with a number of people, including Lt. General Sir David House, Army GOC, and Mr. Kenneth Newman, Ulster's Chief Constable.

Today, Mr. Neave is to report to Mrs. Margaret Thatcher, the leader of the Opposition, on his trip. He has said that detailed proposals for a change in the burden of proof in terrorist cases are to be drawn up as soon as possible and presented to the Government.

The object of Mr. Neave's plan to reverse the normal premise of a court, is the conviction of those he termed Ulster's "arch-terrorists"—the planners and organisers. Eighty per cent of these

people were known to the security forces, but were immune from conviction because of the present law on evidence, he said.

Reaction to Mr. Brian Faulkner's announcement that he is leaving active politics was significantly muted in Loyalist circles, but among the tributes was one from Mr. Marilyn Rees, Northern Ireland Secretary, who praised him for his "valuable contribution."

Mr. Faulkner's resignation from the leadership of his party marks the formal ending of a political career that halted abruptly in May, 1974, when Ulster's power-sharing executive of which he was chief minister, was toppled by the Loyalist Ulster Workers' Council general strike.

Continued from Page 1

Ford breaks challenge

The session lasted about five hours longer than planned. The critical vote on rule 16C did not take place until nearly midnight, local time, well outside the desired prime television viewing hours.

The chair had great difficulty maintaining order on the floor of the hall for much of the evening as Reagan and Ford supporters burst into noisy demonstrations—most vocally when Mrs. Reagan and Mrs. Ford entered the arena.

Mr. John Connally's spirited speech immediately preceding the debate and vote on the rule change was almost totally ignored. It attracted only sporadic applause. It was not one of Mr. Connally's most inspired public performances. But as a speech it was technically adept and more designed to rouse the fervour of delegates than anything that had gone before.

Even his sharp attack on Mr. Jimmy Carter aroused minimal interest, so consumed was the convention with the battle over rule 16C.

Far greater interest was devoted to the byzantine machinations of the sundried Mississippi delegation. The delegation was thrown into even greater turmoil last night by an Alabama newspaper report quoting Mr. Rogers Morton, the Ford campaign manager, as saying the President had decided in effect to write off "the cotton South" in the November election.

Mr. Morton went down to the floor to say his remarks had been misinterpreted. After countless excuses and having passed on the first round of voting, the delegation preserved its fragile unity and cast all its 30 votes against rule 16C. Tonight, however, Mississippi Republicans will probably split 16-14 in favour of the President.

One thing has to be said of the hall for much of the first time this year they showed themselves last night to be technically competent at organisational policies.

But there were very audible complaints from Reagan delegates that the game had been played too roughly, that too many arms had been twisted and that the motives of the Reagan supporters had been too crudely questioned.

The steam has gone out of the Reagan cause but perhaps the resentment has not. Mr. Ford would do well to show a soothing diplomatic touch towards both Mr. Reagan and his supporters.

There could be one very intriguing twist of this sentiment to-morrow night, when Dr. Kissinger, the Secretary of State, conspicuous by his absence from the convention, attends the final session to hear the acceptance speech.

It was a testament to Mr. Ford's weakness that he could not afford to bring his Secretary of State with him to Kansas City. The reception he gets to-morrow night may well speak volumes about the feelings of the Republican Party.

Weather

U.K. TO-DAY

MOST AREAS will be dry, warm and sunny, but eastern districts may have low cloud and fog, which might persist along the coast.

Outlook: Little change. Lighting-up: London 20.45, Manchester 20.59, Glasgow 21.15, Belfast 21.18.

BUSINESS CENTRES

	Y-day	Mid-day	Y-day	Mid-day
Alexandria	20.88	20.88	20.88	20.88
Amsterdam	22.10	22.10	22.10	22.10
Antwerp	22.10	22.10	22.10	22.10
Bombay	22.10	22.10	22.10	22.10
Buenos Aires	22.10	22.10	22.10	22.10
Canton	22.10	22.10	22.10	22.10
Cebu	22.10	22.10	22.10	22.10
Hankow	22.10	22.10	22.10	22.10
Hong Kong	22.10	22.10	22.10	22.10
Kobe	22.10	22.10	22.10	22.10
London	22.10	22.10	22.10	22.10
Lyons	22.10	22.10	22.10	22.10
Madrid	22.10	22.10	22.10	22.10

HOLIDAY RESORTS

	Y-day	Mid-day	Y-day	Mid-day
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10
Algeria	22.10	22.10	22.10	22.10

The unsecret of our success



Friendly and efficient service in a dynamic economy the winning combination that assured our growth in city bank of Japan. And now we're developing into international financial complex. Perhaps more than any other Japanese bank, Saitama offers its customers the full benefits of its vigor and vision. The vigor that has made it one of Japan's fast growing major banks. And the vision of a bank that never forgets people are people.

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The 20-mile Round London Sightseeing Tour will run daily from 10.00 to 21.00 from starting points at Piccadilly Circus and Victoria (Grosvenor Gardens) and until 19.00 from Marble Arch. The open-top double-deckers will operate

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